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CONTADORA GROUP TO MEET AT FEBRES INAUGURATION

FL081336 Mexico City NOTIMEX in Spanish 2044 GMT 7 Aug 84

[Text] A spokesman for the Secretariat of Foreign Relations announced today that, representing President Miguel de la Madrid, Foreign Secretary Bernardo Sepulveda Amor will attend the inauguration ceremony of Leon Febres Cordero as president of Ecuador.

Sepulveda Amor will be in Quito this Thursday and Friday. His visit will coincide with that of Colombian President Belisario Betancur, Panamanian Vice President Carlos Ozores, and Venezuelan President Jaime Lusinchi, all of whose countries are members of the Contadora Group.

The presence of the representatives of these four countries at the inauguration of Febres Cordero will make it possible to hold a Contadora Group meeting at which the evolution of the situation in Central America will be studied, the Foreign Secretariat spokesman said.

According to Panamanian Foreign Minister Oyden Ortega, at the Quito meeting the Contadora Group members will also study the comments and suggestions of the five Central American governments on the proposal for peace and cooperation in Central America.

The presence of the Contadora Group members at the inauguration of the new Ecuadoran president will coincide with that of several Latin American presidents who will attend the ceremony.

CHILE TO HOST ECONOMY MINISTERS MEETING

PY070225 Santiago Domestic Service in Spanish 2300 GMT 6 Aug 84

[Text] The economy ministers of America will meet in Santiago 27-31 August under the Inter-American Economic and Social Council. Chile and the OAS have signed the agreement to hold this meeting. Chilean Ambassador to the OAS Monica Madariaga [word indistinct] the significance of this meeting, since the Latin American countries are facing a great economic challenge. She then stated that Chile will be able to cope with the efforts involved in staging such an event because of the importance of the issues that will be discussed.

OAS Secretary General Joao Clemente Baena Soares stated that the conference should be a success to give impetus, through peace and understanding, to economic stability and social progress.

PRC FOREIGN MINISTER WU XUEQIAN ARRIVES

PY081936 Buenos Aires Domestic Service in Spanish 1600 GMT 8 Aug 84

[Text] PRC Foreign Minister Wu Xueqian arrived this morning at Ezeiza International Airport where he was received by Argentine Foreign Minister Dante Caputo. Wu Xueqian arrived from Venezuela with other PRC Foreign Ministry officials, thus starting his official 4-day visit to Argentina. Wu Xueqian will meet with Argentine President Raul Alfonsin.

The PRC foreign minister has two main objectives: 1) to strengthen political ties with Argentine authorities; and 2) to stimulate commercial, cultural, and scientific exchange between the two countries, especially in the nuclear energy field.

The trade balance is quite favorable to Argentina since its cereal, cotton, and sugar exports to China total $350 million annually. The PRC would like to sell to Latin American countries components for nuclear power plants [central thermonucleares] which are either already functioning or under construction. The PRC also wants to export equipment for the exploitation of large mining deposits.

In turn, Argentina wants to sell the PRC ocean fishing ships and 16,000- to 20,000-ton merchant ships similar to those already sold to Poland and Sri Lanka.

An important Beijing radio and television delegation will arrive on 11 August to negotiate an agreement for the exchange of films and radio programs between the two countries. A delegation of the PRC Association of Journalists will also arrive in the country soon. An upcoming visit of particular interest is that of PRC nuclear energy officials who will meet with their Argentine counterparts. In addition to these visits, a PRC oceanographic ship will arrive in a few weeks to possibly participte in an Antarctic mission with Argentine ships.

Upon Wu Xueqian's arrival at Ezeiza this morning, both the Argentine and PRC foreign ministers declined to talk to reporters. Wu Xueqian is a state councillor, minister of foreign affairs, and also a member of the 12th CPC Central Committee.

President Raul Alfonsin will receive the PRC foreign minister this afternoon at 1800 at the presidential residence in Olivos, where the president usually stays on Wednesdays.

Meets With Alfonsin

PY090222 Paris AFP in Spanish 0141 GMT 9 Aug 84

[Excerpt] Buenos Aires, 8 Aug (AFP) -- Well-informed sources today indicated in Buenos Aires that the settlement of 1,500 to 2,000 Chinese families in the Patagonia over the next few years was one of the main subjects which PRC Foreign Minister Wu Xueqian -- currently on an official visit in argentina -- discussed with President Raul Alfonsin today.

Argentine Foreign Minister Dante Caputo feted his PRC counterpart at a luncheon shortly after the latter's arrival in Argentina, and immediately afterward the Chinese diplomat met with President Alfonsin for 45 minutes on the eve of Alfonsin's departure for Ecuador to attend the presidential inauguration there.

PRESIDENT TO MEET BUSH, OTHER OFFICIALS IN QUITO

PY081811 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1530 GMT 8 Aug 84

[Excerpts] Buenos Aires, 8 Aug (NA) -- President Raul Alfonsin will leave tomorrow on a 45-hour visit to Ecuador where he will attend the inauguration of Ecuadoran President-elect Leon Febres Cordero and will meet with U.S. Vice President George Bush, among other personalities, it was officially reported today at Government House.

It was also reported that President Alfonsin will delegate his presidential powers to Vice President Victor Martinez at a ceremony which will take place tonight at 2000 at the Olivos residence.

The presidential T-01 plane will take off from Jorge Newbery Airport tomorrow at 0600. The presidential entourage will be made up of 23 officials. They include: Senator Carlos Gomez Centurion, San Juan Bloquista Party; Deputy Cesar Jaroslavsky, Radical Civic Union; Deputy Diego Ibanez, Justicialist Party; and Alvaro Alsogaray, of the Democratic Union Center, who will be accompanied by his wife.

The following officials will also be in the presidential entourage: Jorge Sabato, Foreign Ministry secretary for special affairs; Enrique de Vedia, secretary for family and human development; Bruni Ferrari Bono, secretary for water resources; Jose Ignacio Lopez, presidential spokesman; Enrique Iglesias, ECLA executive secretary; and Enrique Quintana, national protocol director.

The presidential plane will arrive in La Paz at 0815 and will stop there for 1 hour to let Bolivian President Hernan Siles Zuazo board the plane. Siles Zuazo and the Bolivian foreign minister will also attend Febres inauguration.

On 10 August at 0900, Ecuadoran time, Alfonsin will begin his official activities with a meeting at his hotel with Venezuelan President Jaime Lusinchi. Later he will meet with Sergio Ramirez, member of the Nicaraguan Government junta. At 1230 Alfonsin will meet with U.S. Vice President George Bush and then will hold a press conference at 1800.

Delegates Office to Martinez

PY090242 Buenos Aires TELAM in Spanish 0052 GMT 9 Aug 84

[Text] Buenos Aires, 8 Aug (TELAM) -- Chief executive Raul Alfonsin tonight delegated his office to Vice President Victor Martinez since he is scheduled to depart tomorrow for Ecuador, where he will attend the presidential inauguration of Leon Febres Cordero.

The ceremony at the Olivos presidential residence was attended by Foreign Minister Dante Caputo; Interior Minister Antonio Troccoli; Defense Minister Raul Borras; Presidential Secretary General German Lopez; Joint Chief of Staff General Julio Fernandez Torres; the chiefs of staff of the Army, Navy, and Air Force, General Ricardo Pianta, Rear Admiral Ramon Arosa, and Brigadier General Teodoro Waldner, respectively; and other officials.

Government Notary General Natalio Echegaray read the appropriate decree and the protocol on the transfer of presidential power. The ceremony began at 2000 and lasted 5 minutes, after which those present left the Olivos residence.

ALFONSIN MEETS WITH PLAZA DE MAYO MOTHERS

PY081725 Buenos Aires BUENOS AIRES HERALD in English 7 Aug 84 p 11

[Text] (NA-DYN) -- The Mothers of Plaza de Mayo were disappointed at their meeting with President Raul Alfonsin yesterday, saying they had not received the response they had expected to their claims and demands for the punishment of persons accused of human rights violations during the former military regime. But a government communique said Alfonsin told the seven-woman delegation that although he understood and shared their grief his government was determined to stay within the law under which there could not be convictions without proof.

"The president told us we had to await the outcome of the mission entrusted to the National Committee on the Disappearance of Persons (CONADEP), of the courts of justice, which he admitted were slow, and of the military tribunals," the Mothers' president, Hebe de Bonafini, told newsmen after the one-hour meeting. "We wish we didn't have to say that after the meeting we feel very dejected, very disappointed, but that is the truth," Mrs Bonafini said, adding: "We will continue fighting to achieve our purposes, which are the punishment of those guilty of repression and to learn about the whereabouts of our missing relatives."

Mrs Bonafini said her group also told the president they objected to his recent announcement that military officers would be called in as advisers in key areas of the government, because "the military are corrupt." They also urged Alfonsin not to rely on the military, "because it is they who will create problems for him tomorrow, and instead to rely on the people who will defend him because they voted him in," Mrs Bonafini said.

Alfonsin realized the mothers were disappointed because he could not give them the answers they expected, and told them he knew they would not be happy, but he added, "we have to wait because that is the way things are," she added.

VICE PRESIDENT CONCERNED OVER INFLATIONARY TREND

PY082147 Buenos Aires Domestic Service in Spanish 2000 GMT 8 Aug 84

[Text] Vice President Victor Martinez has expressed his concern over the inflationary trend that is continuing in the Argentine economy. Martinez voiced his hopes for the success of the labor-businessmen-government agreement, an agreement that is marked by the absence of sectorial stands or expectations. Martinez boldly stated that he is willing to defeat inflation even at the expense of losing votes. He also said that we should abandon all demagogic stands, stands that in the long run could lead to a loss of consensus.

Speaking on the role played by private business, Martinez stated that what is important is to know the scope of the state and the scope of private business.

BORRAS BRIEFS CONGRESS ON DEFENSE BUDGET

Hints at Relocation of Units

PY081445 Buenos Aires Domestic Service in Spanish 1030 GMT 8 Aug 84

[By Jorge Roux from Congress]

[Excerpt] As is known, Defense Minister Raul Borras yesterday briefed the Chamber of Deputies on the Defense Ministry budget. At the end of this briefing we were able to talk with Borras. Among other things, we asked him about the rumor that the I Corps might be transferred from Palermo, Buenos Aires, to the southern part of the country. Borras said:

[Begin Borras recording] This is another of the many projects included within the Armed Forces reorganization plan. It will not be implemented soon. This is a long-term task. Yet in keeping with our joint planning, some units will have to be relocated, and those units located near Buenos Aires will surely have to be moved somewhere else. [end recording]

Considers Nuclear Reactor

PY081747 Buenos Aires BUENOS AIRES HERALD in English 8 Aug 84 p 11

[Text] (NA-DYN) -- Defence Minister Raul Borras said yesterday Argentina was analyzing a project to develop a compact nuclear reactor capable of powering submarines and other vessels. Borras told the budget committee of the Lower House of Congress, however, Argentina was not in a position at present to undertake such a project and only if it proved feasible and economical would funds be requested for it in future budgets. The minister said besides submarines -- "which would not be provided with nuclear head missiles" -- the compact nuclear reactor would also serve peaceful purposes such as generating electric power in distant areas of the country to which the building of power lines to carry conventional power would be too costly.

Borras also told the committee, which was studying military expenditure in this year's budget, with its current armaments level plus provisions in the budget, Argentina was in a position to adopt dissuasive action against any hypothetical threat of invasion but was not in a position to invade other territories. On cut backs in the military budget Borras said they would not stop any research or development project currently under way: "The projects might not be as active as one would like, but they will not be suspended," he added.

DETAILS OF GRINSPUN STATEMENT ON ECONOMY RELEASED

PY081741 Buenos Aires BUENOS AIRES HERALD in English 8 Aug 84 p 11

[Text] The 84-page statement Economy Minister Bernardo Grinspun handed to business and union leaders at the first "official" socio-economic contract talks yesterday covered the following ten points:

Incomes policy is aimed at a six to eight percent improvement in real wages based on economic recovery, which amounted to 3.3 percent of Gross Domestic Product (GDP) during the first semester of 1984 and is expected to be no less than four percent for the second half of the year. But for "isolated" union groups who continue to press wage demands, the increases so far this year have been accepted by the entire community. Many industry sectors report labour supply is lagging behind new jobs. Monthly and quarterly adjustment of wages and pensions is to continue, and the government will authorize "temporary" transfers from family bonus funds to pension funds.

Fiscal policy is based on a reduction of government spending and "mainly" on improved revenues, which are up to 21.96 percent of GDP from 17.94 of GDP so far this year. Net transfers by the Central Bank have been reduced by 60 percent from December 1983 and the public has reduced its share in the growth of money supply from 70 percent at the end of last year to 35 percent in July. Investment in public works and utilities is to amount to 4.4 percent of GDP this year, up 15.4 percent in relative terms from 1983. A bill is under study to increase sharing of federal revenue from 48.5 to 54.4 percent.

As announced by Grinspun on Monday, financial policy will centre on strict supervision over the flow of foreign currency.

The existing price control scheme will evolve into a system of "price management through control of costs, which is the general guideline for the sectorial concertation underway." Firms will be authorized to increase prices proportionally to hiked costs, and permits will be granted with greater expediency. Maximum prices for staple foods will remain in force, but the corresponding trade secretariat resolution (360) will be modified to set a producitivity-cost-price ration aimed at expanding supply and "benefitting the entire population." Regional and local price reduction campaigns will be encouraged, as will the substitution of red meats with other staples. Marketing and advertising will be regulated to protect consumers.

First semester trade surplus totalled 2.8 billion (thousand million) dollars, or 80 percent of the year's target. The expected surplus for the entire year is 3.98 billion dollars. Interest due on the foreign debt this year is about 5.871 billion dollars. The debt is expected to grow 5.3 percent in 1984.

The main goal of industrial policy is independent technological development and the creation of domestic industry capitals, to be encouraged by means of credit lines and tax exemptions.

Agricultural growth is aimed at increased grains production through greater supply of credit, fertilizers, and herbicides. In order to encourage the replenishment of livestock, a bill will be presented proposing a 50 percent tax exemption for female stock and a five-year full exemption of new females. Meat-packing industry debts will be subsidized to offset European dumping on world markets.

Tax and credit benefits will be granted to encourage private mining investment.

Fishing companies have already been aided by consolidating their foreign debts last June 15. A 150 million dollar loan application has been made with the Inter-American Development Bank to modernize the deep-sea fleet.

Regional economies will be encouraged "selectively" to boost production in order to fulfill domestic demand and increase export surplus.

MINISTERS ON GOVERNMENT-BUSINESS-LABOR MEETING

PY080430 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 8 Aug 84

[Excerpts] Interior Minister Antonio Troccoli today urged the various national sectors to make their utmost efforts to curb inflation. The minister made this request during what could be considered the first official meeting seeking a social agreement.

We held some interviews at the end of the meeting and the first person to comment was Economy Minister Bernardo Grinspun.

[Begin recording, in progress] [Grinspun] ...of each sector. The interior minister and myself, on behalf of the government, stated our position, which is public knowledge, and distributed a document describing the guidelines being followed and that were proposed by the government at this meeting seeking a social agreement.

[Unidentified reporter] Will this document be the basis for the drawing up of a long-term program for a social agreement?

[Grinspun] This is a proposal made by the government. Now it is up to all the members of the commission to draw up a final document.

[Reporter] Has a date been set for the next meeting?

[Grinspun] It is supposed to be held next Monday.

[Reporter] Mr Saul Ubandini [Secretary General of the General Labor Confederation, CGT] could you give us your opinion of this meeting?

[Ubaldini] The most important topic was the proposal made by the CGT, because we will have to solve the problem of the gap between the salaries and the cost of living in July, and we have to see what the situation will be in August. We are aware that we are facing a series of conflicts and, therefore, the priority issue must, naturally, be the real salaries policy. This problem currently affects the great majority, that is, us workers.

[Reporter] Ramon Baldassini, what is your impression of this lengthy meeting?

[Baldassini] Something very important was revealed duirng the meeting. According to the statements of various representatives attending the meeting, it is obvious that there is a long-standing desire for an agreement that will allow the contribution of forces, ideas so that the country can follow its path to grandeur, and mainly so that the people and the Republic can enjoy a standard of living that will be in keeping with the country's resources. I believe that if these resources are distributed equitably and reasonably, they could play an important role in reaching a social agreement and, in turn, democracy.

[Reporter] Mr Labor Minister, Juan Manuel Casella, how did the meeting develop?

[Casella] You have heard for yourself that the meeting developed in a perfectly correct manner, that all the parties attending it were free to voice their opinions. The common denominator of the meeting was the great concern over shared problems as well as a determined desire for a rapprochement in order to discuss the most adequate solutions as a whole.

[Reporter] Does this mean that everyone came to the meeting with the firm desire to reach a social agreement?

[Casella] This is something noteworthy because the desire for an agreement was voiced by each of the representatives who spoke. We want this social agreement to become something with no precedent in our country since it will not expire with the signing of a document. We intend to grant this procedure continuity. Moreover, it will be carried out starting from the bottom to the top, that is, with the participation of the businessmen right from the beginning of the deliberations. They will not just be handed a proposal to which they must agree.

USSR EXHIBITS EXPORT PRODUCTS IN BUENOS AIRES

PY062319 Buenos Aires LA NACION in Spanish 5 Aug 84 p 6 Section 3

[Text] The Soviet foreign trade enterprise, Neftekhimpromeksport, office in our country is having an exhibit of Soviet export products on Costanera Sur Avenue. This enterprise, which is subordinate to a Soviet state committee, conducts trade transactions related to the construction abroad of enterprises and plants for petroleum, petrochemical, paper, and cellulose industries, plants to manufacture mineral and chemical fertilizers, and industry based on a microbiology process.

Present at the display were Viktor Ivanovich Grib, vice president of the Soviet enterprise; Hector A. Monzon, president of the Argentine side of the Argentine-Soviet Chamber of Commerce; Dr Carlos Gutierrez, vice president of Mebomar [not further identified]; and Igor Vassilev, economic adviser of the Soviet Embassy. Grib stressed the work of the Soviet enterprise and highlighted some aspects of the commercial relations with Latin American countries. He stated: "In Brazil we have built a plant for the production of ethyl alcohol based on microbiology process for wood. This same technology, which is used in more than 20 countries, is what we are offering Argentina through our representatives, Mebomar Chemical Industries."

CHACO PROVINCE POLICE EVACUATE CADET SCHOOL

PY081900 Buenos Aires DYN in Spanish 1246 GMT 8 Aug 84

[Excerpt] Resistencia, 8 Aug (DYN) -- The local police cadet school was evacuated early this morning by the 3,200 officers and policemen who had occupied it for 6 days demanding better salaries and changes in the institution's higher ranks. Negotiations with the provincial government will now be resumed to seek a final solution to the conflict. The announcement of the evacuation was made last night by a spokesman of the rebels, who indicated that the decision was adopted after anlyzing the call for evacuation made by Governor Florencio Tenev.

BRIEFS

GENERAL RATENBACH DIES -- Buenos Aires, 8 Aug (TELAM) -- Lieutenant General Benjamin Ratenbach, retired, today died at the central military hospital where he was taken after he suffered a brain embolism. [Text] [Buenos Aires TELAM in Spanish 1404 GMT 8 Aug 84 PY]

LANUSSE HOSPITALIZED -- Former de facto President Alejandro Agustin Lanusse has been staying at the Central Military Hospital for 2 days. Family sources have reported that Lanusse has been hospitalized for a routine checkup. Although further details on the former president's health have not been disclosed, the sources insisted that there are no reasons for concern over Lanusse's health. [Text] [Buenos Aires Domestic Service in Spanish 1600 GMT 8 Aug 84 PY]

SILES ZUAZO SPEECH HAILS ARMED FORCES

PY081559 La Paz Cadena Panamericana in Spanish 1130 GMT 8 Aug 84

[Text] President Hernan Siles Zuazo has paid homage to the Armed Forces of the nation at the central ceremony held at the Gualberto Villaroel Military School. President Siles returned from Sucre to attend the ceremony at the military school to pay homage to the day marking the anniversary of the creation of the Armed Forces.

After the ceremony, the president delivered a speech to the Armed Forces. He stated that recently the historic course of the country has put to the test the democratic and institutionalist tendency of the Armed Forces, when everything seemed to indicate that an autocratic tendency was undermining the military institutions.

New military generations are emerging, military officers who are worthy and ready to recover the prestige of their institution and to share with civilians the risks of the struggle for democracy.

In his speech to the Armed Forces, the president of the Republic stated that the military institution itself has the opportunity to purge its ranks to resume the role entrusted to it by the Constitution. Within this framework, he stated, the Armed Forces play an important role in preserving internal and external security.

President Siles added that since 10 October 1982, the Armed Forces have been resolutely facing repeated coup attempts by small military groups. This action by most military officers has helped to recover the people's confidence in the nation's Armed Forces. The identification with national interests, which are the interests of the great majority of the nation, is the most certain path to the unity of the people with the Armed Forces, the president stated.

He added that national security is essentially a guarantee for stability and economic and social development, without depending on anyone.

In his speech to the Armed Forces, President Siles cited the example and sacrifice of Villaroel, plus the loyalty of Ballivian and Uria, who inspire the faith of the institution in freedom and democracy.

Concluding his message, the president stated: In this institute where love for the fatherland is cultivated and where sacrifice for the fatherland is promoted, as a veteran of the Chaco war, I urge the members of the Armed Forces to follow the examples set by our heroes.

VILLARROEL EXPLAINS 'TRANQUILLITY' IN ARMED FORCES

PY081650 La Paz Cadena Panamericana in Spanish 1130 GMT 8 Aug 84

[Text] General Alfredo Villarroel Barja, commander in chief of the Armed Forces of the nation, made remarks to Radio Panamericana at the end of the ceremony marking the founding anniversary of the nation's Armed Forces.

He stated that tranquillity prevails within the Armed Forces, and that this tranquillity is the result of a purge that has been taking place. [as heard]

[Begin Villarroel recording] Well, everything is normal within the Armed Forces. Only some disciplinary measures have been adopted due to the violation of military statutes. [end recording]

The reporters asked him why the changes announced for 6 August had not taken place: Villarroel stated that it is not customary to make changes on national holidays.

[Begin Villarroel recording] It is not normal to make changes in August. Changes usually take place at the end of the year, because August falls almost in the middle of the year, and so the reshuffle of personnel usually takes place at the end of the year when movement is greater. Besides, it has become a norm to make changes at the end of the year. [end recording]

GOVERNMENT WORKERS TO CONTINUE STRIKE

PY090252 Paris AFP in Spanish 1708 GMT 8 Aug 84

[Text] La Paz, 8 Aug (AFP) -- It was reported in La Paz today that despite the call made by President Hernan Siles Zuazo to end the serious strikes, Bolivian public servants have decided to continue their week-old indefinite general strike.

The public sector teachers, who have not received their June salaries, yesterday joined the strike of the post office and court employees.

In turn, Bolivian Labor Federation [COB] Executive Secretary Juan Lechin Oquendo has stated that the strikes are the result of the government's inability to deal with the situation and of noncompliance with the commitments entered into by the executive branch.

Lechin Oquendo stated that the chief of state shows that he is poorly informed when he states that the frequent stoppages are the results of unrealistic requests for salary increases, forgetting that his ministers are the ones who made promises and proposals that are not met subsequently.

Lechin Oquendo stated that, faced with this situation, he had no other choice but to decree a state of emergency in the influential COB.

AGREEMENT ESTABLISHING DEMOCRATIC ALLIANCE SIGNED

PY081425 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 8 Aug 84

[Text] In a document signed today between members of the Liberal Front and the Brazilian Democratic Mobilization Party [PMDB] board, the two groups established what they call the Democratic Alliance.

They explained that the Alliance is designed to elect the president and vice president of the Republic in the forthcoming elections, and to establish a government which will promote harmony between government and society and which will seek the common good.

The PMDB and the Liberal Front explained that the country is living through a serious crisis in the history of the Republic, and that there is no room for hesitation.

According to the document, in a country overtaken by poverty and threatened by the dispair of the most abandoned sectors, public administration should have credibility, should promote participation, and should be marked by morality and austerity.

Through this document, the PMDB and the Liberal Front released their government program which is to be presented by the Democratic Alliance candidate. Among other points, the program establishes the immediate establishment of direct elections on all levels, a consitutent assembly in 1986, renegotiation of the foreign debt, tax reform, and the adoption of measures against hunger and unemployment. The program also provided for free initiatives and contracts favoring small- and medium-size enterprises.

[Sao Paulo Radio Bandeirantes Network in Portuguese at 1000 GMT on 8 August reports that "the PMDB and the Social Democratic Party [PDS] Liberal Front have launched the candidacies of Tancredo Neves and Jose Sarney for president and vice president of the republic, respectively, and have released a manifesto through which the Democratic Alliance is formally established. The ceremony at which the Alliance was established was not attended by either the Workers Party [PT], the Democratic Workers Party [PDT], the Brazilian Democratic Party [PDB], or the so-called radical sector of the PMDB."]

ALLIANCE OFFICIALLY LAUNCHES NEVES-SARNEY TICKET

PY090105 Rio de Janeiro LATIN AMERICA DAILY POST in English 8 Aug 84 p 1

[Text] Brasilia (DAILY POST) -- The Brazilian Democratic Mobilization Party [PMDB] and Democratic Socialist Party [PDS] members Tuesday officially launched Gov Tancredo Neves and Sen Jose Sarney as their presidential and vice presidential candidates to run against the official PDS candidates in the Electoral College.

The two groups made a joint announcement in a packed Brasilia auditorium while Neves, PMDB Party President Ulysses Guimaraes, Vice President Aureliano Chaves, and Sen Marcos Maciel signed a "Compromise with Democracy," a political platform the two groups worked out in common.

The PMDB, according to the document read aloud by Maciel, had selected Neves for president and had allowed the Liberal Front to select Sarney as his running mate.

The actual platform was composed of many diverse points which included calls for direct election of the president of the Republic as soon as possible, to agrarian reform and guarantees for separation of judicial and legislative powers.

Neves, after signing the document, gave a rousing speech pledging he would work for a return to direct elections, praising the Liberal Front and commending the PMDB Party for working out a political compromise.

"We are going out to fight and win," he said. "We no longer can have two Brazils, one which is prosperous and one which lives in misery."

Neves, referring to Brazil's big foreign debt, said the nation "wants to pay it back and will pay it back, but we will do so with honor and dignity and without sacrificing our people. We cannot pay what we do not have."

The actual "Compromise with Democracy" document signed by the PMDB and Liberal Front leaders made these main commitments:

Reestablishment of direct elections for president, and for mayors of "national security areas" and mineral springs resort areas, where the federal government currently nominates mayors
The calling of a constituent assembly to reform the Brazilian Constitution
Reestablishing separation of powers of the executive, legislative and judicial branches of government
Strengthening the autonomy of state and municipal governments
Instituting ample political party reform
Retaking the process of economic development
Renegotiating payback of the foreign debt based upon principles of "national sovereignty"
Direct combat of inflation "considering the social consequences"
National priority for helping Brazil's impoverished northeastern region
Emergency measures to "combat hunger and poverty"
Implanting real debureaucratization
Help for small and medium-sized companies
Reform of federal wage laws
Guarantee of labor union freedoms
Support for research and development in the nation
Defense of Brazilian culture
Protection of minority rights
Increased concern over environmental issues
Implementation of agrarian reform and creation of a "statute" to establish the rights of agricultural workers and small rural landowners.

TANCREDO NEVES DISCUSSES FUTURE POLICIES

PY082348 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 84 pp 4, 5

[Inerview with Brazilian Democratic Mobilization Party, PMDB, presidential candidate Tancredo Neves by staff reporters Luciano Ornelas, Tadeu Alfonso, Jose Marcio Mendonca, and Magno Madureira]

[Excerpts] O ESTADO: If elected by the Electoral College, the opposition candidate will assume the presidency amid considerable expectations. Great difficulties lie ahead for the next government. Don't you believe that deep frustration might plunge the people into early disappointment?

Neves: In principle, I believe that such a possibility exists. The Brazilian people are expecting a lot from the opposition. But this happens to any democratic government, which is always expected to do a lot more than it actually can. Obviously, the fulfillment of such expectations is not the most important thing, because a democratic government is always expected to do a lot more than it can. The important thing is to fulfill

the essential parts of these expectations. This is our purpose. We are convinced that we will be able to take care of what is really the most important thing for the Brazilian people, which is the fulfillment of their hopes.

O ESTADO: Shouldn't your electoral campaign and your basic program of government be less optimistic and more realistic?

Neves: That has been the object of our concern. As far as I know, our government program is a list of premises in which we have stated our principles and outlined some targets that in our opinion must be urgently and immediately attained. Our pledge is to attain these goals. Any additional achievement will be a bonus.

O ESTADO: Governor, the other day you said that no revengeful attitudes would be adopted. Does that mean that the corruption that has prevailed during all these years will be allowed to go unpunished?

Neves: Not at all. Revenge is something different from punishing the illegal actions committed by public servants. While a revengeful attitude involves a political issue, illegal actions involve the penal code. Such actions must be clarified by the proper legal mechanisms. I will not play the role of a police inspector in the presidency of the Republic. I will be a president who will look at the future and who will try to meet the major demands of the nation and the most legitimate aspirations of the people. Illegal actions committed by public servants must be dealt with by competent authorities, in keeping with the law.

O ESTADO: Governor, this is what I would like to know. There is tangible evidence for several illegal actions, like in the case of the affair known as "polonetas" [which involved the Polish debt owed Brazil], the Delfim group case, and the Coroa Brastel affair, but the competent authorities have not taken any action...

Neves: No, quite to the contrary, all those cases are being heard by the courts, and, fortunately, my government will not have to deal with them. Not only are they being heard by the courts, but they are also being investigated by congressional committees which will submit the results of their investigations to the courts.

O ESTADO: There is an issue that has not been completely clarified and that, in my opinion, contains a demand posed by both the nation and by the Liberal Front, namely, the Constituent Assembly or the powers that the current Congress has to amend the Constitution.

Neves: I would say that such an issue involves a subtle difference from the legal standpoint. It is a rather legal technicality. In accordance with sound constitutional principles, the National Constituent Assembly must be convened only if the representatives of the people are not in power; that is, if the system of representation has collapsed. This was done in 1823, 1891, and 1946, when we did not have a Congress. A Constituent Assembly was called each time. There was a vacuum of popular representation. But we now have a functioning Congress. We have the popular representation necessary to reinstitutionalize the country, and so a Constituent Assembly cannot be convened to function parallel with Congress, nor to replace it. We would run the risk of not having either a Constituent Assembly or a Congress. Since the popular representation cannot be disrupted, what we can do is to give constituent powers to the future Congress, which will then have the same sovereign power of a Constituent Assembly. The future Congress will function with the same powers as a Constituent Assembly with full deliberative powers.

O ESTADO: That Constituent Assembly will then function in 1986. But you intend to amend the Constitution before that date, so that Congress can have more freedom to work.

Neves: Well, we will have to reformulate the electoral law. The electoral law we now have is not only self-serving but also bureaucratic, formalistic, and authoritarian. So we have to undertake a broad reform of the electoral and political parties legislation in order to facilitate the process of electing the representatives of the people for the future Constituent Assembly.

O ESTADO: Do you believe that the future Congress will be able to function freely, considering that some congressional privileges are restricted and that there are some draconian laws such as the National Security Law?

Neves: The National Security Law, the Press Law, the Consolidated Labor Laws, and other legal instruments that we still have as the result of authoritarianism.... If we have conditions in Congress to promote the democratization of these pieces of legislation, we will do it.

O ESTADO: Before the Constituent Assembly?

Neves: Before the Constituent Assembly. We will work with the current Congress, although it is still characterized by positions, let's call them that, of great loyalty to the system. If we can, we will work with the present Congress. If we can't, we will have to wait until we have a Congress with a better democratic spirit to facilitate the reforms.

O ESTADO: Will those reforms include autonomy for the labor unions?

Neves: Yes, full autonomy for the unions. Autonomy for the union is provided for in the Constitution, and it should not be curtailed.

O ESTADO: Your basic government program defends the freedom to organize parties and not the current draconian law.

Neves: We support the freedom to organize parties. This is a basic principle that is unquestionable. All groups that feel suited to become political parties must find broad support in the law.

O ESTADO: Does that include the two communist parties?

Neves: Well, their situation is more complicated. Their recognition depends on a constitutional reform. The prohibition of the so-called clandestine parties is not a political, but a constitutional issue.

O ESTADO: You are a Liberal. If a Liberal Party were created, would you become a member?

Neves: No, I am very satisfied with the PMDB.

O ESTADO: Couldn't the creation of a Liberal Party weaken the PMDB?

Neves: I can't foresee it, so I don't know.

O ESTADO: During the first year of your administration, your activities will be based on three different budgets prepared by a completely different administration. Funds have already been allotted and state companies will have their own budgets. How will you reconcile this with your government program?

Neves: A law must be enacted to update the fiscal budget and to adjust it to the objectives of the new government. However, the updating and adjustment of the monetary budget and the budgets of state firms only depends on the adoption of administrative measures and resolutions by the Economy Ministry. These budgets are not rigid, and they can all be adjusted to the objectives of the new government.

O ESTADO: There are rumors that, depending on the outcome of the Social Democratic party [PDS] convention, the government could propose the reestablishment of direct elections.

Neves: There is nothing more important for the PMDB than the reestablishment of direct presidential elections. It is more difficult for the PMDB to win in indirect elections than in direct elections, where we would have an easy ride, where we would have an overwhelming vote. Direct elections will always be welcomed by the PMDB, no matter what.

O ESTADO: If direct elections are called for 15 November, don't you fear that you may not be eligible to run?

Neves: Ah! that would be a trick, a personal machination. If that were the case, it would be best for me just to hang my portrait and sign that law.

O ESTADO: But hasn't the government resorted to this sort of machination throughout all these years?

Neves: This is more difficult to do now. Congress is divided, the government is in the minority in the Chamber of Deputies, and the situation is 50-50 in the Senate. Machinations are not as easy today as they were in the past.

O ESTADO: When did you decice to leave the Minas Gerais governorship and start campaigning for the presidency?

Neves: When I realized that it wasn't an adventure, that I had a real chance before the Electoral College to win the elections.

O ESTADO: How long ago was that?

Neves: About 10 days ago, 15 days ago at the most.

O ESTADO: The government has announced that it intends to amend the consorship law. Should there be censorship in Brazil?

Neves: This is a very complex issue. I believe that in Brazil censorship is still in the hands of the police. Censorship should not be handled by the federal police or the Justice Ministry, it should be in the hands of the Education Ministry. The censorship issue is eminently a cultural issue. Therefore, only those who are well-known for their educational capacity, and for their sensibility, are able to practice it to the extent to which society demands objective censorship.

O ESTADO: Not so long ago you mentioned the need to make changes at the ministry level concerning the handling of the censorship issue. What is wrong with the ministries? What is it that you plan to change?

Neves: It is very difficult to discuss this. It would imply an administrative reorganization.

O ESTADO: Your opponents charge that you are not discussing a vital issue -- the duration of your term.

Neves: I have been quite frank about it. I have said that according to republican tradition, 4 years is a reasonable term. I do not accept a 2-year term. But it is really up to the Constituent Assembly to establish the length of presidential terms. It may either lengthen them or shorten them. As an example, there is the case of President Dutra who was elected to a 6-year term, but the Constituent Assembly decreased his term to 5 years. Of course, it can also be reduced to 4 years. I cannot impose myself on the Constituent Assembly, which is really the only body that can establish the duration of presidential terms.

O ESTADO: You have clearly explained your position regarding the negotiations with the IMF. But there is talk about the formation of a bloc of Latin American debtor countries -- Mexico, Argentina, Colombia, Venezuela, and Brazil. This bloc reportedly will be organized not to declare a moratorium unilaterally, but to negotiate jointly and as a single force with the creditors. What do you think of such a joint action by the Latin American debtor countries against the creditor countries?

Neves: The conditions are not appropriate at the moment to create that debtors front. The essential political conditions do not exist. But if it is possible tomorrow, I do not see any problems. I think the front must be created, because it would imply the formation of a political force capable of exerting pressure on our creditors to achieve the renegotiations of our countries' debts under more acceptable conditions.

O ESTADO: As president of the Republic, would you take the diplomatic and political initiative for the formation of that bloc?

Neves: I would follow up the understandings reached so far. There would be no need to take the initiative.

O ESTADO: Planning Minister Delfim Netto is seeking new negotiations with the IMF. Don't you fear inheriting a negotiations process that has already been agreed upon for the next 5 or 6 years?

Neves: The terms of those negotiations are absolutely unpredictable. I do not know how they are being conducted. I have no idea of how much or of how long will they harm the future government.

O ESTADO: But you are well aware that a substantial part of those loans granted by the IMF will have to be paid by March 1985.

Neves: Well, if that is the case, we will be in a position to negotiate those payments that are due. It is the ideal thing. The difficult thing will be those to be contracted now, in whose negotiating process I cannot participate.

O ESTADO: The program of your future government refers to the reactivation of the economic development process, to a drop in the inflation rate, and to an increase in the employment rate. Former Sao Paulo Mayor Olavo Setubal, who is closely connected to you and who works with you, made a speech last week in Recife warning that it is almost impossible to curb inflation and to restore economic development. How do you interpret that?

Neves: The resumption of the economic development process cannot be achieved overnight. The economic development process presupposes a basic financial improvement for the nation. Only after achieving this will we be in a position to begin the economic development process. But this will not prevent us from implementing an emergency plan. This means giving the people, especially the poorest sectors of society, all the assistance they need to guarantee the minimum conditions for a worthwhile living.

O ESTADO: The truth about tariffs, as Minister Netto puts it, that is, the increase in tariffs at the same rate as inflation, is part of the agreement with the IMF which you will inherit. Will that change, in practice, imply a breaking. . . .

Neves: It represents one of the points of negotiation with the IMF. Today, the negotiations will be conducted under more comprehensible terms than those with which they were conducted so far, and not by merit of the future government. Well, of course, for that too, because it will count on the support of the people. And that implies one of the most important political supports. But there exists an international awareness that not much can be demanded from the debtor countries, making more difficult and burdensome the existence of the poorest sectors. We must take into account the recent examples set by the Dominican Republic and Bolivia. The people went out into the streets and forced those governments to break, unilaterally, with the IMF, and even with the creditor nations. This cannot happen here in Brazil.

O ESTADO: Is a democratic government supported by public opinion in a position of strength when negotiating with the IMF?

Neves: That's obvious. A democratic government will be in a position to negotiate from a more dignified position compatible with our sovereignty.

O ESTADO: Argentina has everything and it is not succeeding in getting the conditions it wants.

Neves: Argentina is a very different case. It has a position that does not resemble the Brazilian position.

O ESTADO: How do you intend to conduct the negotiations?

Neves: Through the processes that are typical of any international negotiation. On the basis of persuasion, principles, and a very firm orientation to the IMF that its demands are excessive.

O ESTADO: It will then be a form very different from that being followed now. And the government-to-government negotiations?

Neves: Government-to-government negotiations alone lead nowhere. There should be parallel negotiations. In addition to negotiating with the creditors, we should develop diplomatic actions before the governments of creditor countries. But negotiations with those governments alone will not solve anything.

O ESTADO: The opposition has always inveighed against the government's pharaonic programs. I would like to know your opinion about two specific projects -- the iron ore railroad is practically finished. It is very close to completion. These investments not be massively made in one fiscal year.

But this railroad must be completed depending on investments that can be made compatible with the government financial policy. This railroad cannot be left as it is now, because it will deteriorate and it will then demand greater expenditures for its rehabilitation than would be necessary for its maintenance. The work must be completed slowly, without stopping.

As for the nuclear program, it is important for Brazil to master the full fuel cycle. We cannot be a nation worthy of respect in the world if we are not on a par with the advances of nuclear energy. We should, if only through modest programs, stay abreast of scientific achievements and take all possible advantage of nuclear energy without being dependent on foreign technology, provided the resources are available.

O ESTADO: Do you consider it necessary to review the size and the objectives of that program?

Neves: The program should be made compatible with our resources.

O ESTADO: The national scientific community is critical of the fact that Brazil bought a package of nuclear technology but we don't know whether it will work.

Neves: Yes, it was a complete package. The important point is that Brazil cannot abandon its policy of mastering the atom in all its phases. We must maintain a team of scientists and technicians who are abreast of scientific developments in this area. If Brazil has resources, it should take advantage of nuclear energy as much as possible, without depending on foreign technology.

O ESTADO: The Brazilian Government has already been accused of developing studies for the manufacture of an atomic bomb, and doing it covertly. Those studies are said to be conducted in the Advanced Studies Institute of Sao Jose dos Campos.

Neves: I don't know anything about that.

O ESTADO: In recent years, we have seen state-owned enterprises grow and private enterprises decline. What do you intend to do?

Neves: The strengthening of the national enterprise is of fundamental importance. This should be done not only through fiscal and credit facilities, but even through direct assistance, depending on the case. Domestic capital cannot continue being taxed, contracting debts, and even losing its important role of maintaining social stability. My policy will be aimed at strengthening the national enterprise.

O ESTADO: Brazil's independent foreign policy is one of the few things spared by the criticism of the opposition. If the opposition criticizes that policy, it is only because of its timidity. What would your foreign policy be like?

Neves: If the Brazilian foreign policy is a point of agreement between the government and the opposition, not a point of contention it should be only defined and improved. It should be in tune with the events of modern times.

O ESTADO: Cuba and Nicaragua are two courses of conflict in Latin America. How do you view these problems?

Neves: I believe that the position of Itamaraty on Central America is correct. But as long as Fidal Castro continues to export revolutions, we cannot have relations with Cuba.

O ESTADO: Do you support the efforts of the Contadora Group?

Neves: Yes, of the Contadora Group.

O ESTADO: And the commercial and diplomatic relations with Eastern Europe?

Neves: They will stay where they are. We maintain broad diplomatic and commercial relations with those countries, without any restrictions.

O ESTADO: But without the well-known "polonetas" ...

Neves: Yes, that is a deplorable case.

O ESTADO: Do you plan to move against statism?

Neves: The state-owned companies are overgrown, but there are sectors that cannot be divested from government control without losing national control over those enterprises. In this case, I prefer to keep the state-run companies. Now, I believe that no one will go along with the privatization of such state-run companies as Petrobras, Eletrobras, and the Federal Railroad Network. There some state-owned enterprises that can be transferred to private capital, national private capital, that is. I do not favor a policy of privatization to denationalize.

O ESTADO: In recent years, the government dug into the pockets of the people and the coffers of enterprises. Today, taxes levied by the government are at an unbearable level. How can this trend be reversed?

Neves: Over the short term, that will not be easy to do. We now have a surplus of 10 trillion cruzeiros in revenues, which shows that budgetary provisions have been surpassed. But as long as we have an internal public debt of nearly 50 trillion cruzeiros, we cannot lighten the tax burden. If we do that, we will have to issue paper money, and this will imply more sacrifices than those imposed by taxes.

O ESTADO: There are two large labor organizations that are not recognized by the government: United Workers Confederation [CUT] and National Conference of the Working Class [Conclat]. Would you recognize them as representative of the workers?

Neves: This is a thorny problem. We have the thesis of labor unity and pluralism. In doctrine and in practice, this generates great polemics. Neither will Conclat agree to join CUT, nor will CUT agree to join Conclat. This means that as long as Brazilians do not have a clear idea on the advisability of labor unity, the government should wait until the situation is ripe.

O ESTADO: Social Security is about to go broke. The announced deficit already amounts to 1 trillion cruzeiros this year.

Neves: I hope it is only 1 trillion cruzeiros.

O ESTADO: What is the solution for this crisis?

Neves: The Social Security crisis is very serious. In the first place, there is a ceiling for revenues and a ceiling for outlays, and there is a big gap between these ceilings. This gap can be closed by increasing salaries so that Social Security fees can be increased, or by resorting to Treasury funds. No one can work miracles in this area. Reducing services to cut expenses is not viable. Now, increasing the Social Security contributions from salary earners and employers is something that neigher of them can bear. We have to find a way to cover that gap in the least burdensome and least inflationary manner possible. In all countries of the world, social security runs deficits, but not on the scale of Brazil.

COURT RESTRICTS CAMPAIGN ADVERTISEMENTS

PY090240 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 8 Aug 84

[Text] In a note distributed to radio and television stations, the Regional Electoral District has ordered the immediate suspension of electoral advertisements being broadcast by presidential candidates Paulo Maluf and Mario Andreazza. The decision was adopted by the Superior Electoral Court after studying a request by the Democratic Labor Party [PDT].

MINISTER COMMENTS ON DEBT RENEGOTIATION

PY081415 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 8 Aug 84

[Text] Industry and Commerce Minister Camilo Penna has stated that it will be much better for the creditor banks to renegotiate the Brazilian foreign debt now because the new government will have tougher conditions. Minister Penna added that the creditor banks must offer Brazil better conditions for the renegotiation of the debt or face the danger of losing the chicken that lays the golden eggs. Penna feels that the Brazilian foreign debt only amounts to $60 billion, because the remaining $40 billion was only added with the increase in interest rates.

SARAIVA GUERREIRO DISCUSSES WORLD CONFLICTS

PY090520 Brasilia Domestic Service in Portuguese 2200 GMT 7 Aug 84

[Text] Upon arriving in Sao Paulo today, Foreign Minister Ramiro Saraiva Guerreiro stated that as far as international conflicts are concerned, the Brazilian stand is always conciliatory.

[Begin Saraiva Guerreiro recording, in progress]...[Words indistinct] our agenda, which is related to international trade, economic development, disarmament matters, and other topics as well, such as Malvinas and others, we must try to contribute in the sense that a conciliation between the parties must be sought. [end recording]

Saraiva Guerreiro is to lecture at the Sao Paulo Law School on diplomacy and law, especially focusing on the Brazilian diplomatic effort in having the juridical rules applied in international relations.

Tomorrow, Saraiva Guerreiro will visit the Aerospace Technology Center and the enterprises Brazilian Aviation Company [Avibras] Specialized Engineers, Inc [Engesa] in Sao Jose dos Campos, enterprises that manufacture products for the national arsenal.

The foreign minister will officially visit Zaire and the Congo from 22 to 24 August, according to a statement issued by Itamaraty. Before he goes to Africa, Saraiva Guerreiro will visit Geneva, where he is to deliver a speech at the disarmament talks on 21 August.

PINOCHET VIEWS RELATIONS WITH U.S. POLITICS

PY090309 Santiago Radio Cooperativa in Spanish 1715 GMT 8 Aug 84

[Text] President Augusto Pinochet has said that he assumed the Chilean presidency because it was a duty entrusted to him by the people. He termed himself a lover of peace and asserted that in the future he will be remembered for bringing welfare to the country. General Pinochet also compared himself to the best Roman emperors, although he noted that he is not an emperor. He asserted that Chile's relationship with the Reagan administration is at its best level in the history of Chilean-U.S. relations. General Pinochet made these statements to THE NEW YORK TIMES correspondent for Latin America during an interview that was published by that well-known U.S. newspaper today.

Although he admitted that he has lost popularity, Pinochet said that he has no intention of yielding to pressure in favor of elections before 1989. I assumed the presidency as a duty entrusted to me by the people and I am going to fulfill this duty, he said.

When asked about the massive protests against his government, the president said that those demonstrations were caused by the economic recession, which is being exploited by the communists. Pinochet said that the protests have failed and that the disagreements among the opposition politicians prove that his regime is the only alternative for Chile. Pinochet added that now people attack him, but that in the future he will be remembered as the person who struggled against communism, and brought welfare to the country. He also said that he is supported by a silent majority of Chileans, and then went on to say that he never hesitates in attacking the communists. The president termed himself a lover of freedom since that is a right inherent to all human beings but which is being threatened by the communists.

General Pinochet, 68 years old and almost 11 years in power, made these statements to a NEW YORK TIMES correspondent he received in La Moneda Palace. During the interview Pinochet said that another 4 years are necessary to reorganize the political parties and electoral registries and to update the political system. Pinochet asserted: I do not trust an orthodox democracy because it is too vulnerable to infiltration and can be easily destroyed. He then said that the politicians of the opposition are persons who have been inactive during the past 11 years and are now in a hurry to return to power and enjoy its privileges. Pinochet also asserted that the Chilean-U.S. relationship during Ronald Reagan's administration is the best in our country's history. He compared himself with the best Roman emperors, who were political strategists as well as military men, although he noted: I am not a Roman emperor.

PRESIDENT REPORTED TO BE STAYING HOME WITH FLU

PY081858 Santiago Domestic Service in Spanish 1730 GMT 8 Aug 84

[Text] The president of the Republic did not go to his office in Government House but stayed at his residence because he has the flu. The press secretariat has reported that General Augusto Pinochet has attended to various government matters and that this morning the military household chief went to his residence to take him some documents. The president will receive other assistants for the rest of the day.

SOUTH AFRICAN ARMED FORCES CHIEF VISITS

PY090339 Santiago Domestic Service in Spanish 2300 GMT 8 Aug 84

[Excerpts] Vice Adm Carvajal has gone to Santiago International Airport to meet the commander in chief of the South African Armed Forces, General Constand Viljoen. Gen Viljoen is making an official visit to our country, along with his wife and two high-ranking South African officers, at the invitation of the defense minister.

Vice Adm Carvajal reiterated that the sale of weapons by Chile is lawful and falls within trade exchanges among various countries.

Furthermore, Vice Adm Carvajal stated that the Carabineros and Investigations Department payrolls are being increased slightly.

NATIONAL PARTY URGES HOLDING BEAGLE CONSULTATION

PY080449 Santiago Radio Cooperativa in Spanish 1715 GMT 7 Aug 84

[Report by Manuela Robles]

[Text] Fernando Ochagavia, the National Party vice president, has issued a statement that was approved last weekend at a meeting attended by over 150 representatives. The statement notes, among other things, that in view of the serious social, economic, and political crisis the country is experiencing, the National Party upholds its firm intention to strengthen its position as a spokesman of Chilean democratic rightist sectors in its capacity as the true heir of the conservative and liberal parties.

The National Party rejects popular nationalist groups, because they are contrary to Chilean tradition and to the ideals of Chilean democratic rightist groups. It adds: Moreover, this path does not offer any long-lasting benefits for out nation, because in the economic field it will only isolate Chile from the foreign trade markets that are necessary for our exports.

In its statement the National Party also denounces misery, unemployment, the housing shortage, excessive indebtedness, and violence.

As for the papal mediation on the demarcation of the southern seas, the National Party states that it is highly important for the military government to start consultations with representatives from national sectors so that the Armed Forces will not be blamed in the future if they are forces to make some concessions regarding sovereign Chilean rights.

In addition to making an appeal to all Chileans, the National Party calls on all members of the Armed Forces to restore democracy and thus act in a patriotic manner and in keeping with the will of the majority of Chileans.

BISHOPS ISSUE POLITICAL, SOCIAL POLICY GUIDE

PY071708 Santiago EL MERCURIO in Spanish 31 Jul 84 p A 1, C 7

[Excerpts] The Chilean bishops yesterday released a document entitled "Gospel, Ethics, and Politics," which is designed as a guide for the political and social activities of Christians.

The document says that faith and the Gospel must serve to direct us along the correct political path and to choose an adequate political alternative by encouraging Christians to seek the common good and by subordinating politics to the moral order.

The document says that "restoring unity among our people" is "the most urgent task for all Chileans" and it warns that "the improper use of violence as a means to resolve conflicts is growing."

As regards political alternatives, the document says that there certainly are many, but it warns that the underlying Marxist philosophy is atheist and that Christians must not be deceived by the alleged coherency of the Marxist doctrine.

The document tells those Christians who support the liberal capitalist system that they must pay attention to the sector on the fringes of society and consider the imbalanced relationship between capitalism and labor.

It also says that Christian doctrine rejects the principle stating that the end justifies the means, adding that it preaches respect for life and honor and that security embrace all the people and not be only limited to the state, which is at the service of the people.

The church statement was prompted, among other things, by the difficult relations maintained at times "with representatives of the government and with laymen who support the government," as well as "the risk of basic church groups being manipulated and politicized."

The document includes directions for the exercise of power by the rulers and for the integration of military officers into civilian life. It also includes measures to prevent workers from being manipulated by political parties which dispute their support.

The document, which is divided into five chapters, inculeds "directions for the political activity of Catholics" given from a pastoral viewpoint. These directions are the church's answer to the "frequent requests by the ecclesiastical community for an episcopal statement on politics." The extensive document is "intended to be studied by the people and the church community, particularly by the youth, who need to acquire a solid political conscience to direct their actions."

The first chapter is designed as an introduction to the document and it includes various pastoral letters and statements issued since 1962 "under different situations and governments," and in which the Catholic Church expressed its views on "the difficult crisis confronted by the country," something that is a "source of permanent concern to the church." All these documents show that the church "has never failed to" state its views "under very different situations."

This new pastoral reflection included in the document "Gospel, Ethics, and Politics" has been caused by recent events such as "the yet fragile political opening; social and sometimes political activities, in the true sense of the word, carried out in the past few years by church members and institutions," and by "the difficult relations existing at times between bishops, priests, churchgoers, and laymen with representatives of the government and with laymen who support the government."

The Chilean bishops are also concerned over the risk of basic church groups being "manipulated and politicized; the confusion of a large group of youth" as a result of the 10-year political recess "which has made them easy prey for extremists who appeal to their generosity" by "depriving them of the possibility of gaining democratic experience"; and over the "subsistence and inhuman living conditions among large sectors of the community."

The third chapter, which is one of the most extensive in the document, points out two fundamental aspects of "preaching the Gospel," which is the church's essential task: The announcement of the Gospel and conversion. The Gospel "has a message for every man as an individual... for the human community... and for the church."

The document then refers to the attributions and capabilities of man "that are the basis of his political actions and that give him a definitive orientation." Among the attributions, it mentions man's "dignity in being an 'individual,'" which "involves the capability of entering into a dialogue with God and the responsibility of cooperating in the development of the individual himself and of society."

"The fact of being an 'individual' also has an inseparable social dimension which carries a sense of justice,' because parts of being a 'person' are the capability to repent evil and one's own injustices, to denounce and reject the evil and the injustices of others, and to not become injured to anything that will stop the full development of the individual.

At this point the Chilean Episcopate document points out the "nobility of a political commitment that expresses in deeds these admirable capabilities and attributions that God has given man. At the same time the document hints at some of the basic orientations necessary for political activity, such as seeking to unite people, respecting human rights and struggling against injustice, and leaving the final judgment to God."

Referring to the other aspect of preaching the Gospel, conversion, the bishops indicate that the call to conversion "is also a plea to man, the community, and the church." In the New Testament conversion means "abandoning idols to serve the true and living God and to deny one's self in order to follow Christ and to carry one's own cross."

The bishops then warn against "the temptation of making politics absolute." One of its forms, hyperpolitization, is already known in Chile. It consists of believing "that everything is political and, therefore, that it must pass through the party's hands," thus the "means become the end."

"Treading this path," the bishops warn, the value of private life itself, productive work, artistic creation, recreation, prayer, and faith are demeaned: the purpose of the various spheres of life is destroyed."

The fourth and fifth chapters of the document detail the "challenges that (reality) poses for the political life of Christians," and they also detail some suggestions for the layman in his search for solutions. It is the opinion of the bishops that "the most urgent challenge" that Chileans are facing is that of "reconciling ourselves, that of reconstructing the unity of our people, that of once again seeking our common heritage above and beyond the conflicting interests of the various social groups and classes and of the conflicting political ideologies."

They then detail a series of conditions at the social and cultural level and at the level of the individual that are necessary to achieve the necessary reconciliation. After asking themselves "and asking all Chileans, with an urgency that borders on anguish, whan we can do to become a united people and to make politics really rational" the bishops of the Catholic Church propose eight suggestions that are directed at everyone in general: politicians, those who govern, the military, teachers, parents, organized workers, professionals, and "members of the church."

The bishops' document concludes that "the task that is ahead of us is huge" and that we can only assume it if we confide in the force of the Holy Spirit and if we are willing to receive it in prayer," asking God to root out the 'stone hearts' from our chests and to replace them with 'true hearts' similar to that of His Son, Jesus (Ezekiel 11, 19)."

"The promotion o. the 'humble,' the satisfying of the needs of the 'hungry,' the invitation that has been made to everyone to share evangelical poverty and to accept happiness as a free gift of the Father who loves us, the fraternal solidarity between the sons of the common Father, confidence in the future and the happiness to be alive, to struggle, and to love, this is the path that we suggest to you, as a humble contribution to Chile's welfare, brothers, in this document. May the Holy Spirit enlighten you to accept it, and if it happens to contain some deficiencies, then let Him help you to overcome them when you take on the task."

The document invites all Chileans to "try to be well informed about the country's destiny; to be prepared to act efficiently for the common welfare, where and when it is necessary, to actively participate in intermediate groups such as unions and others of a similar type; to be critical of any type of political proposals in the light of principles and a realistic view; and, finally, to prudently and clearly choose the political party or movement that fully interprets one's ideals."

"We ask those who play a role in politics, or within political parties, to impose, as an absolute priority, the seeking of the common welfare above and beyond any private interest, whether it be a class, group, or party interest. They should always have as a permanent goal of their militant activities the efficient seeking of respect for human rights and the promotion of those who have been forgotten."

"Of those who govern, whether it be today or tomorrow, we ask them to try to interpret the desires of the majority of the Chilean people and that they use their power in the service of the ideal that is supported by the national consensus.

"We ask them to observe the code of ethics in all their actions, categorically rejecting the principle that the end justifies the means.

"We also ask them to use with justice and moderation the instruments of coercion and repression that they have in their hands, and that they do so in defense and service of the lives of all the people and not to fight the opposition or hold on to power. We ask them not to use the power of weapons to impose on the country their own political ideas, but to put them at the service of the overall feelings of the majority in the country. We ask them to give up once and for all any degrading procedure opposed to the law of God, such as torture or intimidation. Finally we ask them to promote by all means peace with neighboring countries as a means to drastically reduce military expenditures, to redistribute these resources for the development and improvement of the situation of the poorest sectors, and to facilitate a broad integration and cooperation among brotherly countries."

Of the military "we ask that in addition to cultivating an ideal of authentic professionalism, they try and achieve a fuller integration with the civilian society. This also supposes that the civilian society will adopt an open attitude toward the military, so that the military and civilians can work together for peace and life. We invite Christian military personnel to join the Christian community fully and to learn the church's current thoughts better as stated in the episcopal document."

"Of the teachers we ask them to fully assume the decisive role entrusted to them to educate people to be profoundly and authentically Christian, to be brotherly and capable of overcoming any individual or group selfishness, to be organized as a united people, and to adopt the interests of the overall society. We ask that they be especially concerned with the political training of youth. Today's youth have grown up in a climate adverse to democracy and can easily fall, given the ideals and generosity that characterize them, into extreme positions promising short-term solutions to problems of injustice, but that in practice aggravate them due to the violence and intransigence of the means they propose."

Parents are asked that "in giving testimony in their homes and in the time dedicated to each of their children that they always reflect on that great educating force of future generations. It is the family's duty to transmit to children the inheritance of our past of faith, good sense, realism, sobriety, and brotherhood."

"We ask organized workers to seek unity around their just causes, struggling not only for better wages for their work, for the improvement of safety conditions, and for the improvement of safety conditions, and for making their jobs more enjoyable, but also above all, seeking the recognition of man's most profound work as a means of personal dignification, cooperation with the Creator, and solidarity with our brethren. We also ask them not to disregard the situation of workers who have no possibility of organizing themselves, the situation of dismissed workers, and the well-being of the overall society.

"We also ask them to maintain their appropriate independence to organize themselves so as not to be victims of the struggle among political parties which, at times, contend for the workers as their clients. We especially urge young workers to participate in union work, contributing with a renewed vision of the world of work, according to the new times and free of old prejudices."

"To the professionals we suggest they put their competence at the service of the common good, and not use the privilege they were granted in being professionals for their sole personal benefit."

REPORTAGE ON 'CHILE DEFENDS LIFE' RALLY

Opposition Supports Rally

PY082234 Santiago Radio Cooperative in Spanish 1715 GMT 8 Aug 84

[Excerpts] The Democratic Alliance [AD], the Socialist Bloc, and the People's Democratic Movement [MDP] in separate declarations have voiced their support of the Chile Defends Life rally.

The AD declaration states that all its member parties support this noble initiative, and it urges all its members and supporters to take part in tomorrow's rally in a peaceful and orderly manner, respecting the spirit of the meeting.

The MDP states that to support life in Chile today means supporting democracy, which is the only guarantee for the respect of elementary human rights.

In its declaration, the Socialist Bloc states that to proclaim life represents an invitation to recover the people's dignity, but that it also represents a generous invitation to those who hold power to end repression and return to the people the freedom that has been taken away from them. There is no life without freedom, there is no peace without justice, the declaration says.

The organizers of tomorrow's rally have said that it is not an act of protest and have noted that it is a movement for peace, love, and defense for life. Manuela Robles for El Diario of Radio Cooperative reports:

Good afternoon: The organizers and executive board in charge of the Chile Defends Life rally to be held tomorrow, 9 August, throughout the country held their last press conference this morning. Jorge Molinas, the AD coordinator of this event, stated that it is not an act of protest. It is a peaceful demonstration aimed at making many people aware of the current situation. Molinas also said that neither does it have a political nature, even though many political groups will take part. Schools, professionals, Chilean citizens, in sum, the entire country is going to take part in this event. There will be no flags, shouting, or political slogans during the march to the cathedral, where the people will pay homage to life by leaving a flower or a candle. Molinas said that the organizers especially urge the security forces to understand, respect, and cooperate with the peaceful spirit of the rally.

Measures To Prevent Violence

PY081822 Santiago Domestic Service in Spanish 1730 GMT 8 Aug 84

[Text] Acting Interior Minister Vice Admiral Patricio Carvajal has announced that the necessary measures will be adopted to prevent violence during the Chile Defends Life rally tomorrow. Carvajal revealed this at the Comodoro Arturo Benitez Airport after seeing off Interior Minister Sergio Onofre Jarpa and Foreign Minister Jaime del Valle, who have departed for Ecuador to participate in Leon Febres Cordero's inauguration.

We hope that no violent actions will take place during this rally for life, the acting interior minister said.

Carvajal later met with Minister Secretary General of Government Alfonso Marquez de la Plata, Interior Under Secretary Alberto Cardemil, and with top police authorities to coordinate the adoption of security measures to prevent violent actions.

Further on Violence Issue

PY090326 Santiago Domestic Service in Spanish 2300 GMT 8 Aug 84

[Text] Several political sectors intend to take the opportunity of tomorrow's rally to stage violent actions and to hold a nationwide stoppage. This is the belief of several labor unions and movements of various Chilean sectors.

The National Action Movement, Radical Democracy, and the Social Christian Movement, through their youth branches, have denounced that political sectors, disguised as pseudolabor union organizations, are seeking to distort the real spirit of the Chile Defends Life rally. They also stated that those sectors are seeking to intensify the class struggle and unleash a nationwide stoppage. The youths of these parties stated in their declaration that during the next few weeks we, Chilean citizens, will once again be the target of terrorism and looting, the aftermath of which, to a lesser or greater extent, will affect all of us.

The National Union, on its part, has denounced the communist strategy aimed at unleashing an escalation of violence which it has termed Red September. In an official declaration, the National Union states that this sinister plan will start with the rally to be held tomorrow, Thursday, 9 August, and which apparently has good intentions but really conceals acts of terrorism and violence.

The declaration then states that if they are successful, if we have to regret new cases of murdered Carabineros and civilians, the escalation of violence and bloodshed will continue on 4 and 5 September, and it is difficult to foresee what will happen then. As a consequence the National Union urges the citizenry to remain alert in view of this new attack by the Communist Party.

Government Seeks Church Support

PY090349 Santiago Domestic Service in Spanish 2300 GMT 8 Aug 84

[Excerpts] The government has requested that the Santiago archbishop urge all those citizens who plan to participate in tomorrow's Chile Defends Life rally to do so but in an orderly and prudent manner.

Interior Under Secretary Alberto Cardemil went to Msgr Juan Francisco Fresno's residence to make this request. At the same time, the interior under secretary issued an appeal to all citizens.

[Begin Cardemil recording] What I requested of his excellency was to please intercede with all citizens and to urge them to act in an orderly and prudent manner at the Chile Defends Life rally. Moreover, the government also requests the same of all citizens. It requests them to be alert to provocations, to disorders that some will want to generate, and to be aware that they undoubtedly are going to be exploited in their good faith by the Communist Party, which has mobilized all its organizations. [end recording]

Cardemil noted that Fresno's answer was positive and that he was in complete agreement with the government in that public order must be safeguarded.

[Begin Cardemil recording] He understood my proposal perfectly. He made perfectly clear that the Catholic Church of Santiago is not organizing the event, that he agreed with the government in that this rally should be carried out in a peaceful, orderly manner, and that we should cooperate with the forces of order to repress any eventual violent incidents that may arise.

I want to be perfectly clear. We are not presupposing that those who organized this rally had any ulterior motives in mind when they called it. We believe that this rally has been called in keeping with high ethical principles, and we will work so that all people can attend it in a peaceful and orderly manner. But we are not so naive as to believe that this situation will not be politically exploited, more than anything else by creating public disorders. [end recording]

The Interior Minister under secretary asserted that no extraordinary measures will be implemented to safeguard order in the next few hours. However, he warned that the rally will be used by certain groups for their own objectives.

[Begin Cardemil recording] It has been learned that Communist Party groups will join the rally to create public disorder. Moreover, unfortunately 9 August coincides with the day that the self-styled National Workers Command [CNT] has established as a deadline for the government to answer its demands. This is a very unfortunate coincidence, which I am sure was unnoticed by the cardinal. [end recording]

Moreover, Cardemil noted that only the so-called Chile Defends Life rally has been authorized.

Archbishop Issues Appeal

PY090407 Santiago Domestic Service in Spanish 2300 GMT 8 Aug 84

[Text] Msgr Juan Francisco Fresno has asked all those who will participate in tomorrow's Chile Defends Life rally to do so in an orderly manner.

The Santiago archbishop made this appeal in a statement issued by the Santiago Archbishopric's Public Relations Department.

In his statement, Msgr Fresno refers to the meeting he held with Interior Minister Under Secretary Alberto Cardemil. The statement notes that during the meeting they exchanged views on the Chile Defends Life rally. It adds that the Interior Ministry under secretary expressed his concern over the possibility that some political groups may use the rally to suit their objectives.

After noting that the government will aid those who attend the rally in front of the cathedral, the statement says that Cardemil expressed his hope that the ceremony will be held in a peaceful and orderly manner.

The statement notes that the archbishop told the government official that although the Church of Santiago is not organizing the event, the group that organized the rally did so in keeping with the bishops' appeal, which called on all Chileans to make an effort to restore the respect for life and for Our Lord.

Archibishop Fresno also calls on all Catholics to make tomorrow a day of prayer and penitence. He requests that everyone should pray for the true conversion of all and to participate in an orderly manner, avoiding all provocations and thus be convinced that we are making a great service to the fatherland.

The archbishop concludes that he wants to unite his voice with all those who want to proclaim and defend life.

LARGO FARIAS, NUNEZ BANISHED TO SOUTHERN REGION

PY080452 Santiago Radio Cooperativa in Spanish 1715 GMT 7 Aug 84

[Report from Concepcion by Mario Aravena]

[Excerpts] Travelers who have arrived in Concepcion from Cochrane, the capital of Capitan Prat Province located in the Aisen region, have informed Radio Cooperativa that well-known radio reporter Rene Largo Farias, who has been banished by the government to this area of the country, is in good health.

The other communist leader who was banished to this region, Osiel Nunez, was flown directly from Puerto Montt to Melinca, which is the capital of the Guaitecas Islands, located 230 km north of Coihaique.

BOMB EXPLODES IN TALCAHUANO; OTHER DEFUSED

PY081840 Santiago Domestic Service in Spanish 1730 GMT 8 Aug 84

[Text] In Concon security personnel have deactivated four bombs that had been planted on electricity pylons.

According to a report from Talcahuano, a powerful explosion at the base of a transformer pylon did not cause a power cut, as extremists wanted, but shattered (?24) windows on the Catholic University premises.

ENDESA REPORTS DAMAGE CAUSED BY TERRORIST ATTACKS

PY081412 Santiago Domestic Service in Spanish 1100 GMT 8 Aug 84

[Excerpts] National Electric Power, Inc. [Endesa] has reported that terrorist attacks carried out against its property has caused damage worth 6 million pesos. Endesa added that the losses sustained as a result of the paralyzation of industrial activities caused by power cuts must also be added to this figure.

The official Endesa communique indicates that the dynamite attacks caused a failure in the grid system on 6 August at 2120. As a result of the failure, power was rationed in some cities between La Serena and Concepcion. It adds that the power supply in Santiago was restored shortly after the failure with the help of the Chilean Electric Company, Ltd. and of other Endesa power plants.

BRIEFS

FIRST AIDS CASE -- The Health Ministry has officially reported that the first case of AIDS has been detected in the country. The ministry also revealed that a year ago a special commission was formed to deal with the problem from both the clinical and epidemiological standpoints. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 1 Aug 84 PY]

PRESIDENT-ELECT PLEDGES FISCAL AUSTERITY

PA081717 Quito Voz de los Andes in Spanish 1130 GMT 8 Aug 84

[Text] President-elect Leon Febres Cordero has made a commitment to the establishment of fiscal austerity in the first few months of his administration in an effort to overcome the foreign debt crisis and the lack of public funds. In an exclusive interview, Febres said: I hope to find money in the national treasury merely to pay salaries. He predicted that the first few days of his government will be very difficult.

Febres, a 53-year-old businessman who entered politics in 1978, is one of two leaders of a conservative economic bent who have been elected president by popular vote in South America in recent years. The other is Colombian President Belisario Betancur, who was elected in 1982. Febres has said that he will support President Betancur's efforts to liberalize the Andean Pact's regulations and will act to encourage foreign investment in the country. He said: Someday, we will reinforce the Andean Pact's Resolution 24, to permit foreign capital investment in our country, which is sorely needed.

Febres said that his government's most important task will be to reduce excessive public expenditure, adding: We must establish a fiscal austerity policy by revising expenses, in order to control inflation and to increase production.

On the foreign debt, estimated at $6.7 billion, he said: I plan to restore Ecuador's tradition of paying our obligations faithfully. The president-elect belied statements by outgoing President Osvaldo Hurtado, who said that the foreign debt has already been refinanced until the end of 1984, and said: There are $200 million or more worth of reimbursements and import invoices that have not been paid. Febres added that Ecuador requires an additional $300 million to make payments that come due at the end of the year.

Febres also said: Unfortunately, the current government has not admitted my victory and has not cooperated in the least. Expanding on the need to reinforce the Andean Pact structure, Febres, who is a U.S.-trained mechanical engineer, said: I have always believed in the Andean countries' integration. Unfortunately, our 15 years of experience in integration has proven that this system does not benefit Ecuador. I still maintain that it is necessary both to broaden the foundations of integration so as to include our country's primary potential in agriculture and livestock, and to correct certain mechanisms that have proven over time to be inefficient.

Febres, a smiling, informally dressed man, has committed himself to honoring his promise to initiate a low-cost public housing project, available to the poorer sectors of the population. The motto of his electoral campaign, with which he won in May by 80,000 votes, was: "Bread, a Roof, and a Job."

He indicated: Some might think that this kind of project will be inflationary and that this requires a subsidy, against which I have struggled all of my life, but we must be realistic. We must somehow help the poor to live in their own homes, although it will require some sacrifice to do so.

Asked how a man who believes in free economy won an election in Latin America, he answered: I think that people act intuitively against unrest and in favor of well-being.

UK FOREIGN OFFICE OFFICIAL DISCUSSES RELATIONS

PY081605 Asuncion ULTIMA HORA in Spanish 7 Aug 84 p 11

[Text] At the end of a meeting with Foreign Minister Carlos Augusto Saldivar, Ray Whitney, parliamentary under secretary of state for Foreign and commonwealth affairs, this morning told ULTIMA HORA: "We talked about maintaining the technical cooperation between our two countries and also about the possible visits of political leaders and congressmen in order to increase existing personal contacts." The meeting with Saldivar took place at Government House with the participation of Bernard Coleman, British ambassador to Paraguay, and other embassy officials; Eladio Loizaga, director general of the Foreign Ministry; and Rodney E. Acevedo and Francisco Barreiro, Foreign Ministry under secretaries.

The British official pointed out that there is nothing concrete yet, "because this is a survey visit, but with the help of the British ambassador in Asuncion we are looking into the possibility of improving our cooperation with Paraguay."

Our foreign minister stated that during the meeting all aspects of the British official's visit were summed up and the two countries are working on projects of cooperation and exchange. "We have no specific project in mund, but we have talked a great deal about the technical cooperation that can be given by Great Britain to several sectors in our country. Paraguay is constantly developing and, therefore, this cooperation must be dynamic," Saldivar stated, indicating that after this contact, bilateral relations will be more fluid.

We must point out that Whitney was received this morning by President General Alfredo Stroessner. According to the British official, "the contacts between our two countries, the very happy relations we maintian, the world's economic situation, and other points of interest" were discussed during the meeting.

NATIONAL ACCORD LEADERS TO DISCUSS NEW PROGRAM

PY071338 Asuncion ULTIMA HORA in Spanish 6 Aug 84 p 8

[Text] Tha National Accord will hold a ceremony at the Febrerist Party headquarters on Tuesday, 14 August, at 0930. During the ceremony, the National Accord presidents will sign a document containing the group's new basic political program.

Another ceremony will be held at 1930 which will start with the reading of the new political program for the news media speaker. Then, Acting National Accord President Dr Angel Gonzalez Casabianca (Colorado Popular Movement) [Mopoco] will make a speech on the new document. The third speaker will be Christian Democratic President Romulo T. Perina, who will also refer to the importance of the ceremony. Febrerist Revolutionary Party President Dr Euclides Acevedo will then review all the activities that have thus far been carried out by the National Accord, as well as those which have led to the expansion of the basic political program. The last speaker will be Authentic Radical Liberal Party President Dr Miguel Angel Martinez Yaryes.

The National Accord's basic political program has been expanded to satisfy the political needs of the people.

PERCOVICH ON ATTACK ON TOWN, ECUADORAN BORDER

PY081347 Lima Cadena American Television in Spanish 0215 GMT 8 Aug 84

[Text] Interior Minister Luis Percovich Roca has confirmed that the mayor of Ventanilla, Tingo Maria, has been murdered. The minister added that a number of inhabitants of that area were murdered together with the mayor and that the perpetrators have not yet been identified. Referring to statements made by the Ecuadoran foreign minister, Percovich indicated that the border between Peru and Ecuador is properly delimited and that there is nothing to discuss in this respect. The minister's statements follow:

[Begin recording] [Percovich] No, there was no massacre. An attack was made against the home of a family, where, according to the first reports, four persons have been killed. However, the event does not have the magnitude that the media reported when it happened. We are waiting for confirmation of the report. The first official report indicates that an attack was made against a house where four persons have presumably died.

[Unidentified reporter] Where, in (La Morada) or in Ventanilla?

[Percovich] In Ventanilla.

[Reporter] Is it true that these murders were carried out by drug traffickers?

[Percovich] Well, they still have to be identified. The perpetrators could be drug traffickers, narcoterrorists, or simply subversives. They must be identified and once they are, the nature of the crime will be known.

[Reporter] Ecuadoran President Hurtado yesterday expressed his concern over statements made by President-elect Leon Febres that the gap between Peru and Ecuador remains open. As interior minister, what kind of answer can be given to Ecuador?

[Percovich] Peru has a very clear and definite idea. There is nothing to discuss with Ecuador. The matter has been cleared up completely and the situation is guaranteed by the countries that signed the Rio de Janeiro protocol. Therefore, the problem does not exist for Peru. The border area that still has to be marked will be mapped out with the participation of the guarantor countries. [end recording]

ARMY TO REPLACE POLICE FORCES IN EMERGENCY ZONE

WA091107 Rome IPS in English 7 Aug 84

[Text] Lima, Aug 7 (IPS) -- The Peruvian Government is replacing police forces with Army troops in its counterinsurgency offensive in the military-controlled "emergency zone," the Civil Guard director announced here today. Police forces had been joining in the campaign against the leftist Shining Path guerrillas in the south-central highlands region. They will be returning to Lima, the capital. The government of President Fernando Belaunde Terry has decided to give the Army expanded powers in the emergency zone, in the face of a recent upsurge in rebel attacks. The Shining Path began its offensive against the government in the south-central zone in March 1982. Civil Guard Director Gen. Juan Balaguer said that the police will now "concentrate their activities on safeguarding urban order and fighting crime."

Meanwhile, the mayor of Huanuco, the capital of Huanuco Province in the northern central highlands, came to Lima to ask the government to include the province in the Army-controlled emergency zone. Mayor Mardonio Apac Palomino announced that he and a dozen other provincial officials have presented their resignations, arguing that the police are unable to protect the population against actions by the insurgents and drug traffickers. "Huanuco Province must be included in the emergency zone and put under Army control," he said, "because the police lack the resources to confront the armed groups which are spreading terror."

Apac said that the Huanuco provincial police chief has withdrawn all his forces from six outposts and ordered them back to the provincial capital so that they will not be subject to guerrilla attack.

Huanuco is a city of 60,000 located in the mountains near Peru's central wilderness region, an area dominated by the illegal coca trade. In recent months, the wilderness area near Huanuco has been the scene of attacks by armed units which some observers say are Shining Path rebels and others identify as drug trafficking bands. Two police stations, a border post and several government buildings and banks in the region have been attacked and virtually destroyed in the last two months. "The businessmen and civilian authorities feel unprotected," Apac said, explaining that the situation has led a dozen mayors and other Huanuco provincial authorities to leave their posts.

Some of the attacks in the Huanuco region have been similar to previous Shining Path actions to the south, but others are unusual and have caused speculation that they were not carried out by the leftist guerrillas. The first was an attack on a factory that produces African palm oil. The government has been promoting African palm cultivation in the central wilderness region as a substitute for coca, and the drug traffickers would have ample reason to attack a palm oil factory. In addition, the attackers burned workers' houses near the factory, an act which is not in line with the Sininig Path's usual methods. Last week, seven farm workers were machine-gunned to death, reportedly for refusing to plant cocoa, and their corpses were left on the highway in what some local residents interpreted as a warning to other workers.

Reports reached Lima today that the mayor of Ventanilla, a small town in the eastern Peruvian jungle, was murdered yesterday in his home by four people who said they were Shining Path guerrillas. Police recently discovered and destroyed three clandestine airports near Ventanilla, which officials said were being used to ship about two tons of coca paste to Colombia each week.

Percovich on Police Relocation

PY081421 Lima Television Service in Spanish 0230 GMT 8 Aug 84

[Text] Interior Minister Luis Percovich Roca today revealed that the staying on of the Civil Guard [presumably in the emergency zone] has again been proposed to the Armed Forces. He made this statement after participating in the main ceremony commemorating the anniversary of the Republican Guard.

[Begin recording] [Percovich] The political-military command of the emergency zone has issued instructions for the relocation of the police forces in certain areas and for other units to replace the police located in those areas. It is all part of a joint Armed Forces-police operation. [Unidentified reporter] When will they leave Ayacucho?

[Percovich] No, no, they are not leaving, they are being relocated in urban and rural areas in accordance with what has been ordered by the political-military command and the Joint Command of the Armed Forces. [end recording]

REPORTAGE ON SHINING PATH ACTIVITIES, VIOLENCE

Army Kills 17

PY071847 Madrid EFE in Spanish 1452 GMT 7 Aug 84

[Text] Lima, 7 Aug (EFE) -- Police sources have reported in Lima that 17 members of the subversive Maoist Shining Path group were killed in a firefight with soldiers in Ayacucho. According to the report, the soldiers were patrolling, disguised as campesinos, in the neighborhood of the Ayacucho district of Anco on 4 August when they were ambushed by a Shining Path column.

A total of 17 guerrillas were killed during the firefight and others were wounded. The wounded guerrillas were taken away by their comrades when they withdrew.

At the same time it has been reported in Arequipa, the country's second largest city located 1,000 km south of Lima, that alleged subversives yesterday attempted to plant explosives in a government building and nearly set it on fire.

Additional Report

PY082132 Paris AFP in Spanish 1615 GMT 8 Aug 84

[Text] Lima, 8 Aug (AFP) -- The police have reported that a few days ago guerrillas of the Peruvian Shining Path terrorist organization murdered 12 peasants and wounded 10 others in the district of Vilcanchos. In addition, three terrorists were killed and an unknown number of others wounded by the forces of order in an attack on the town of Cabana, Ayacucho, southeast of Lima.

The inhabitants of Vilcanchos, Victor Fajardo Province in Ayacucho Department, have denounced the murders in a document presented directly to General Adrian Huaman, chief of the political-military command in the emergency zone. The document is stamped with the fingerprints of the illiterate peasants and their authorities. Besides denouncing the murders and the looting of their homes and public institutions, the peasants requested that troops be deployed to the zone.

Several subversives also attacked the town of Cabana, Lucanas Province in Ayacucho, on Monday. In the ensuing battle with the forces of order, the terrorists suffered three dead and several wounded, who were taken away by their comrades.

Moreover, approximately 30 Shining Path terrorists attacked the village of Quio, in Huanuco, 423 km southeast of Lima, on Saturday. The terrorists gathered all the people in the village square for a people's trial, after which they executed three persons for being presumed police informants. Before leaving, the attackers left some posters on the victims reading: This is how rustlers die. Long live the Peruvian Communist Party. They also plundered some houses, according to the report.

The mayor of Huanuco, which is also included under the state of emergency in addition to Ayacucho, Apurimac, and Huancavelica because of the frequent activity of narcoterrorists in the zone, has revealed that six police stations that had been functioning in districts on the outskirts of the city have been closed because of threats that they would be destroyed. The mayor, Apac Palomino, who a few days ago resigned from his post as a result of pressure and threats, stated that narcoterrorism intends to take over Huanuco and that it has already seized the localities of Parcoy, Tocache, and Aucayacu.

Commenting on reports that police forces are abandoning the emergency zone, Interior Minister Luis Percovich stated that it is only part of a strategic movement of positions organized by the Ayacucho political-military command.

DECREE ON MEDIA, POLITICAL ACTIVITIES ABROGATED

PY081751 Montevideo Radio El Espectador Network in Spanish 1600 GMT 8 Aug 84

[Text] The 2 August 1983 decree has been abrogated. This decree imposed a series of restrictions on the media and political party activities. The revolution, which was signed by the president during a cabinet session because of the resolution, states that the agreement has been reached between the government and some of the political parties in order to create an atmosphere for holding elections. The resolution also states that it is appropriate to abrogate the decree to help in the dissemination of news on the activities of the political parties.

Seregni Praises Repeal

PY090215 Montevideo Radio Carve in Spanish 0000 GMT 9 Aug 84

[Excerts] Political leader Liber Seregni made a statement tonight before joining the Multiparty Group meeting. Regarding the repeal of the decree issued on 2 August 1983, he said:

[Begin recording] [Seregni] This is another step forward within the negotiations process we are carrying out. Beyond the fact that this decree may not have been effective in the recent past, I believe it means that an obstacle in the process of rapprochement has been repealed.

[Unidentified reporter] Do you believe that the opposition front may regroup in view of the present situation between the National Party and the Multiparty Group?

[Seregni] We deeply regret the present situation, but we shall make every effort to strengthen the opposition front, because we believe this is a necessity if we are to overcome the present situation.

[Reporter] What is the situation regarding the political prisoners?

[Seregni] We are expecting the release of political prisoners at any time.

GOVERNMENT TO RETURN CONFISCATED PROPERTIES

PY090236 Madrid EFE in Spanish 2217 GMT 8 Aug 84

[Text] Montevideo, 8 Aug (EFE) -- Several premises belonging to labor unions that were confiscated by the Uruguayan military regime will be returned to their owners as another sign of the political opening the government has begun.

Interior Minister General Julio Cesar Rapela, retired, today confirmed that the confiscated buildings will be returned to their owners and specifically referred to those currently occupied by the metropolitan police, a police station, and the police museum. Rapela declined to comment about the premises confiscated from the Communist Party, stating that he lacked any information on them. The Uruguayan Communist Party remains proscribed, despite the agreement for democracy reached by the Armed Forces and the majority of the political parties. However, the Communists will be able to vote, and even to choose fellow partisans to run for the presidency under a different party ticket.

Minister Rapela made these statements during the swearing in ceremony of the new education and culture minister, Armando Lopez Scavino, who is replacing Juan Bautista Schroeder.

RAPELA REGRETS BLANCO ELECTIONS ABSTENTION

PY090258 Paris AFP in Spanish 2332 GMT 8 Aug 84

[Text] Montevideo, 8 Aug (AFP) -- Interior Minister General Julio Rapela, retired, today stated that the eventual decision of the majority sector of the Blanco, or National, Party (center left) to abstain from taking part in the presidential elections scheduled for November in Uruguay would affect the future constitutional government by jeopardizing its stability.

Rapela did not dismiss the possibility of the Armed Forces and the Blanco Party agreeing to hold talks, although he noted the radical manner in which that party is rejecting all proposals made to it.

The National Party did not participate in the recent political-military agreement regarding a series of transitory amendments to the Constitution that provide for elections and the transfer of power in March 1985. The party's decision not to participate in this agreement was due, among other issues, to the arrest and trial of party leader Wilson Ferreira Aldunate.

Rapela said that the Armed Forces will never refuse to hold talks. The Armed Forces have alway sought an agreement. Therefore, if it has not held talks with the National Party, it is because this party did not wish to talk.

Rapela concluded by pointing out the possibility that the political ban on other citizens will be lifted, especially that on citizens who during the 1971 elections ran as candidates for mayoralties for the Broad Front of left-wing parties.

NATIONAL PARTY TO 'FORMALLY REJECT' ACCORD

PY081806 Montevideo Radio El Espectador Network in Spanish 1600 GMT 8 Aug 84

[Text] The meeting of the National Party's Political Affairs Committee ended today at noon. The committee has drafted a document containing the reasons why the party will reject the Naval Club agreement. It has been learned that the party will formally reject the agreement during a meeting to be held tonight.

SANGUINETTI REGRETS SPLIT WITH NATIONAL PARTY

PY090216 Montevideo Radio Carve in Spanish 0000 GMT 9 Aug 84

[Excerpts] As we previously reported, the Multiparty Group is holding a meeting, but before joining the meeting, Julio Maria Sanguinetti, the Colorado Party Executive Board secretary general, made a statement.

[Begin recording] [Unidentified reporter] Are you surprised by the decision to suspend the meeting with the National Party?

[Sanguinetti] Above everything else, I regret it because I do not think this attitude is helping the country. All of us must think about the country before anything else. It is bad for the country if a party separates itself from the rest of the group and assumes a different attitude, an attitude that I may respect but which in the end affects the nation as a whole.

[Reporter] Could a new date be established for this meeting?

[Sanguinetti] This is something that will be discussed within the framework of the Multiparty meeting.

THAI COMMERCE MINISTER, DELEGATION ARRIVE

FL071450 Mexico City NOTIMEX in Spanish 0316 GMT 7 Aug 84

[Text] Mexico City, 6 Aug (NOTIMEX) -- Thai Minister of Commerce Koson Krairoek arrived today in this capital and said that his government is interested in increasing bilateral relations with Mexico and strengthening friendly relations.

Krairoek, who arrived accompanied by several Ministry of Commerce officials, agricultural specialists, and representatives of the Thai private sector, was received at Mexico City International Airport by Under Secretary for the Regulation of Supply Francisco Cano Escalante of the Secretariat of Commerce and Industrial Development. The Thai minister will remain in Mexico until 10 August.

The Mexican official told the visitor that Mexico is prepared to increase trade relations with developing countries in the South-South dialogue. He added that Mexico's present policy aims at diversifying relations with Third World nations to establish greater cooperation among poor nations.

SEPULVEDA ON CENTRAL AMERICA, USSR RELATIONS

FL082042 Mexico City NOTIMEX in Spanish 1743 GMT 8 Aug 84

[Text] Mexico City, 8 Aug (NOTIMEX) -- Mexico's Foreign Secretary Bernardo Sepulveda Amor has told the Soviet Tass news agency in an interview that peace in Central America could be achieved within a short period of time if the parties involved would make an extra effort. He added that as foreign secretary he was committed to resolving the problem, in which important advances toward bringing cooperation, security, and stability to the area have been made.

Sepulveda Amor said that the search for solutions to Central America's problems is closely tied to the principles of nonintervention, self-determination, prohibition of the use of foreign forces, and cooperation in development, which are the bases of Mexico's foreign policy.

In reference to nearly 60 year of diplomatic relations with the Soviet Union, Sepulveda Amor said that it was very significant to the two countries that Mexico had been first American nation to recognize the USSR. The foreign minister said that given Mexico's close friendship with the Soviet Union, cooperation plans should be secured which would be mutually beneficial and fruitful, because the economic and cultural fields and the search for peace should provide content and meaning to bilateral diplomatic relations.

On the Tlatelolco accord, Sepulveda Amor said the accord's intent was to prohibit nuclear weapons in Latin American, and to assure that the region would be definitely excluded from becoming a weapons zone.

NICARAGUAN ENVOY SAYS SAN JOSE PACT HELPS PEACE

FL070206 Mexico City NOTIMEX in Spanish 2050 GMT 6 Aug 84

[Text] Mexico City, 6 Aug (NOTIMEX) -- Nicaragua's Ambassador to Mexico Edmundo Jarquin denied here today that the San Jose pact is a coercive element and said it was a measure which tends to guarantee peace in Central America.

Jarquin was interviewed at the Palace of Fine Arts, after President de la Madrid Hurtado inaugurated the opening session of the International Conference on Population at which representatives from more than 140 countries were present. Jarquin emphasized that the San Jose pact could in no way be considered coercive, and that this did not worry his country because Nicaragua was a pacifist nation. He underscored that Mexico's refusal to sell petroleum to aggressor nations should not be considered a condition, because this was an alternative that tended to guarantee peace in the region. Jarquin stated that his country was prepared for any emergency, such as a possible invasion by the United States, because the United States has been intervening in Nicaragua for a long time any way.

PEMEX SOURCES ON HAITI'S STATUS IN SAN JOSE PACT

FL082114 Mexico City NOTIMEX in Spanish 1758 GMT 8 Aug 84

[Excerpt] Mexico City, 8 Aug (NOTIMEX) -- Official PEMEX sources have said -- in denying that Haiti had been excluded from the San Jose Pact -- that Mexico will never allow another nation to speculate with its petroleum on the international market. They explained that it was not possible to exclude Haiti from the pact because Haiti had never participated in the accord, adding that, in 1982, Haiti had been extended a probational contract for 3,500 barrels of Maya Crude, but that it had sold the oil on the free marker in Rotterdam. The PEMEX spokesmen said that since then all petroleum contracts with Hait had been canceled because Mexico's crude oil would not be sold to anyone for speculatory purposes.

PSUM SEEKS UNIFICATION OF MARXIST PARTIES

PA090303 Mexico City EL UNIVERSAL in Spanish 6 Aug 84 p 8

[Report by Ismael Sanmartin]

[Text] Juchitan, Oaxaca, 5 August -- Pablo Gomez Valdes, the national leader of the United Socialist Party of Mexico, PSUM, has said that it is very possible that this organization will form an alliance with the Mexican Workers Party, PMT, and other Marxist parties.

"The PSUM has proposed the unification because it wants to be an open party with possibilities for achieving national unity and the PMT has not rejected the proposition," he said.

He stressed that the PSUM is struggling to rally the groups and persons following an anti-imperialistic line around a leftist opposition against the government's policy as the only alternative.

Gomez admitted that there are differences, disagreements, and criticisms within the PSUM, adding that "however, this should not scare us. There are never controversies within the PRI, and thus, whenever, there is strife, it results in a schism."

Pablo Gomez said that the PSUM considers it necessary to discuss the acceptance and projection of the party because its development in agrarian and union organizations does not have the necessary strength. He added that greater flexibility within the organization is expected in order to strengthen the party in view of the noticeable weakness caused by low salaries, which in turn inspires fear and results in a lack of interest in political matters.

GOVERNMENT UNWILLING TO RECEIVE MORE ETA MEMBERS

LD071123 Madrid in Spanish to Europe 1000 GMT 7 Aug 84

[Text] Colonel Roberto Diaz Herrera, chief of staff of the Panamanian Defense Forces, implied yesterday that his country will not receive more members of the Spanish Basque terrorist organization, Basque Fatherland and Liberty [ETA] deported from France. The colonel, who visited Spain last week, informed Spanish authorities that the Panamanian Government would prefer that other countries be sought to receive these Basque separatist terrorists. In the past, Panama did receive ETA members expelled from Spain [as heard], and in the last few days the country has again been mentioned as a possible destination for some ETA leaders who may be expelled from France.

ARTICLE URGES OPPOSITION TO PLUTONIUM SHIPMENT

PA081935 Panama City LA PRENSA in Spanish 8 Aug 84 p 11 A

[Article by Julio Yao]

[Text] The transit through the Panama Canal of a vessel bearing a 250-kg shipment of plutonium, a highly radioactive material, implies a danger of incalculable consequences for our country's national security. A slight accident could result in the eradication of the Republic of Panama. Thus, the Panamanian people must oppose the transit of this ship.

The danger lies not only in the nature of the material, but in the way it is being transported and in its extreme vulnerability to accidents and other possibilities. Its danger was made evident by the fact that other nations will not allow it to transit their territorial waters, and became even more evident when it was reported that the Navies and Air Forces of three countries (the United States, the United Kingdom, and France) will closely watch over the passage of this vessel. In addition, its danger is quite genuine, for 15 U.S. congressmen have protested the transfer of such a dangerous shipment, 189 kg of which, according to them, would be enough to build 30 nuclear warheads.

Moreover, this is the first time that this material will have been tranferred by sea, and Cogema of France, the reprocessing firm, had absolutely no experience in doing this. For this reason, "a huge security network" is being prepared, with the participation of several powers.

By saying that "the Commission has no authority to deny its passage through the canal," Fernando Manfredo, deputy administrator of the Panama Canal Commission, is implicitly admitting that the United States has this power, with which Panama, on the basis of the treaties, has absolutely no right to interfere. But it is the United States itself that has authorized the transit of the plutonium shipment through the canal.

In addition, when Manfredo said that ships with dangerous cargoes cannot transit the canal unless they take special security measures, he made a mistake. In the Neutrality Treaty, Panama promised to allow free transit at all times to military and other vessels from all nations, "independent of their internal operation, propulsion, origin, destination, and weaponry, without establishing inspection, search or vigilance as conditions for permitting this transit." Furthermore, according to Article III (1-E) of the so-called Neutrality Treaty, "these ships will have the right to refuse to disclose their internal operation, origin, weaponry, shipments, or destinies."

This is the contractual basis that binds Panama not to interfere or effectively exercise its jurisdiction over the transit of ships; and that Neutrality Treaty will be in effect from here to eternity! As for international law, this clause implies a huge jurisdictional concession in favor of "free transit" and a self-inflicted mutilation of our national sovereignty.

These agreements, in which a state is compelled to refrain from exercising its sovereignty, are not valid according to international law, because they are presumed to be the result of a negotiation in which one of the parties involved, through the exercise of indisputable superiority, imposed certain commitments on the other that damage its independence, its free determination, and its territorial integrity.

In this case, the commitments agreed upon with the United States prevent the Republic of Panama from complying with one of the first rights and duties of any state, which is its legitimate defense and the preservation of the security of the territory and the nation. The articles of the Neutrality Treaty that could be used to support the right of a ship loaded with plutonium to transit the canal without permitting Panama to prevent it lose all legal effect, because when clauses such as these are confronted with fundamental legal principles they wither away, losing their moral content and their binding nature by the mere citation of the abiding principles.

Based on this reasoning and taking into consideration the fact that sovereignty lies, as the last resort, in the people themselves, I propose that we disregard such antinational agreements and patriotically oppose that ship's transit of the canal, with its cargo of death. Let them find another route, or let the Americans ship it in one of their nuclear submarines via the North Pole!

Some time ago, the Ohio, a U.S. nuclear submarine of the Trident type, went through the canal. This submarine was carrying a destructive power that was 1,040 times greater than that which destroyed Hiroshima and Nagasaki! However, it went through the canal unnoticed. The Panamanians must put up strong resistance to the free transit of all sorts of vessels through our territory, our territorial seas, and our internal waters without any regard for the fate of our country or that of its inhabitants.

Our nation's sovereignty and security must take precedence over any treaty.

BRIEFS

AGREEMENT WITH COSTA RICA -- Panama's General Directorate of Community Development and Costa Rica's National Directorate of Community Development have signed a cooperation and technical assistance agreement. The terms of the agreement include the transfer of technologies in the field of community development, equipment and materials exchange to promote development in poverty areas, scholarships, and an exchange of training experts for community projects. [Summary] [Panama City MATUTINO in Spanish 6 Aug 84 p 10-A PA]

BELIZE

PRIME MINISTER PRICE SPEAKS ON ECONOMY

FL082158 Belize City SUNDAY TIMES in English 6 Aug 84 pp 1, 12

[Text] Prime Minister George Price says the only way we can successfully use local products to substitute imports is to ensure that our products are of high quality and competitive prices. Mr Price made the statement in an address to the Private Sector Organization (PSO) last Sunday. He was guest speaker at the PSO's annual general meeting held at the Fort George Hotel. The prime minister praised the private sector for being most active in working the mixed economy in the building of the New Belizean Society.

He said that in spite of the present international economic crisis there are still many opportunities for the private sector to work in partnership with the public sector in economic development. Mr Price reiterated that in the effort towards economic development Belize has to produce more for domestic consumption first, taking advantage of import substitution, and then produce for the export market in order to earn needed foreign exchange, and to justify foreign investment as our domestic market is small.

The prime minister encouraged businessmen to take advantage of the Caribbean Basin Initiative (CBI) and increased trade within Caricom. He also urged commercial banks to do more in advancing the CBI programme. Prime Minister Price told the PSO that despite the international economic crisis development continues in Belize. He cited recent concessions made to investors in various fields, and quoted figures from the statistical unit of the Ministry of Finance.

The country's inflation rate is less than 3 percent; real growth rate is 1.5 percent, the debt service ratio is 9.2 percent. He said the countryside unemployment rate stands at 14 percent. Gross imports were $223.6 million [Belize dollars] and exports accounted for $155.5 million. The prime minister reported there was a balance of trade deficit of $68.1 million. Mr Price also addressed the question of our foreign exchange reserves, and stated that they are holding out at about 21 - 24 million U.S. dollars.

The annual general meeting of the Private Sector Organization included election of officers. Mr Norman Morre was elected president, Mr Arturo Matus, first vice president, Mr Luke Espat, second vice president; Mr Peter Vasquez, treasurer; Mr David Usher, secretary; and Messrs Steve Maestre, Ramon Cervantes, and Hector Lopez serve on the board of directors.

COSTA RICA

COUP RUMORED; SECURITY FORCES ON MAXIMUM ALERT

PA082323 Buenos Aires LATIN in Spanish 2248 GMT 8 Aug 84

[Text] San Jose, 8 Aug (LATIN-REUTER) -- Public Security Minister Angel Edmundo Solano reported today that the small Costa Rican security forces have been placed on a state of maximum alert because of rumors of a coup. He told newsmen, "The country's security forces are on a maximum state of alert in the wake of reports and rumors of a coup d' etat." He added, "We have received many reports of extreme leftist and rightist groups that are out to destabilize our country".

Solano Comments on Situation

PA090237 San Jose Radio Reloj in Spanish 0100 GMT 9 Aug 84

[Text] This afternoon Public Security Minister Angel Edmundo Solano Calderon denied that he had made any comment on the possibility of a coup in Costa Rica. I deplore that fact that the statements I made to a group of newsmen who asked me about rumors of a coup against the government were misunderstood. Only hotheads could be thinking at this moment of a coup either from the extreme left or the extreme right, the public security minister said.

The fact that Civil Guard units had to be sent to the banana zone and to the border with Nicaragua, leaving the central plateau to be guarded by [word indistinct] has probably been the cause of the confusion, Public Security Minister Solano indicated. Let us listen to what he had to say:

[Begin recording] [Solano] Yes, we have approximately 1,000 men on the southern border and more than this number of men on the northern border. This has practically left us without men in the central plateau. This forced us to bring units from the other provinces and to use volunteers, who are currently patrolling the main cities. I would say that they are replacing the units that were sent to the southern border.

[Unidentified reporter] Some persons have spread rumors regarding the possibility of a coup d'etat. What do you have to say about this?

[Solano] There are many rumors. I do not think there is anyone crazy enough to be thinking about a coup at this moment. People have better sense. If there is a crazy guy thinking such a thing, he had better think twice about what he is going to do because he is going to have a hard time.

Monge Denies Rumors

PA090408 Panama City ACAN in Spanish 0334 GMT 9 Aug 84

[Text] San Jose, 8 Aug (ACAN-EFE) -- Costa Rican President Luis Alberto Monge today denied the possibility that a coup d'etat could take place in his country which does not have an army and is proud of its democratic system. Monge laughed hard when journalists asked him about the coup d'etat rumors that circulated in San Jose today after a local station announced that the police forces -- the only armed institution in the country -- had been placed on a state of alert. "There is no danger of a coup," Vice President Armando Arauz said on his part.

Security Minister Angel Edmundo Solano indicated that it is true that the policemen are concentrated in San Jose because many agents are deployed on the border with Nicaragua and in the south where 3,000 workers of the Costa Rican Banana Company have been on strike for a month. Solano said that this is the reason for the slight presence of policemen on the streets of San Jose, a situation that apparently led to the rumor spread by the local station.

"The country can calm down," the official in charge of Costa Rica's security said. The Costa Rican security forces, which do not comprise an army, are made up of approximately 10,000 men.

EL SALVADOR

REBELS SABOTAGE ELECTRICITY IN THREE DEPARTMENTS

PA082338 San Salvador EL MUNDO in Spanish 7 Aug 84 p 3

[Excerpts] Chalatenango and other cities in northern Chalatenango, San Salvador and Cuscatlan Departments are without electricity today due to guerrilla actions in two sections of the Northern Trunk Highway. According to military reports, last night the guerrillas toppled power lines of the Lempa River Hydroelectric Executive Commission, CEL, rural distribution system. Official reports indicate that the towns and rural communities from El Paisnal to the northern areas of the previously mentioned departments were left without electric power from 1930 when extremist groups simultaneously destroyed CEL power posts by setting off dynamite charges toppling them onto the Northern Trunk Highway. It was reported that other guerrilla forces staged two attacks on Tutultepeque farm in the jurisdiction of Nejapa last night where there were no casualties or damage. A military source reported that the extremists staged the first attack at 2300, but they were repelled by volunteers of the civil defense of Aguilares who guard the farm. The second attack occurred an hour later but the extremists were also repelled.

ARMY CONTINUES COMBING OPERATION IN CHALATENANGO

PA082325 San Salvador EL DIARIO DE HOY in Spanish 8 Aug 84 p 4

[Text] For the second consecutive day Army units have been carrying out combing operations in Chalatenango Department in search of guerrilla strongholds that have been causing problems in that sector. Even though there are no casualty figures, unofficial sources indicate that casualties have been sustained by the leftist groups that have been causing problems in that area for the past days. According to reports, Air Force planes have been bombing areas considered to be terrorist camps. On their part, spokesmen of the leftist groups have been spreading reports that 25 civilians were killed on Wednesday in the bombings by the Salvadoran Air Force. Some foreign correspondents have refused to believe these reports since they view them as smokescreens to conceal the real misdeeds of the terrorists who have been attacking vehicles and towns in Chalatenango and northern San Salvador Department.

COPREFA Communique

PA082302 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 8 Aug 84

[Salvadoran Armed Forces Press Committee, Coprefa, communique -- date, place not given; read by unidentified Coprefa official]

[Text] The bodies of eight terrorists were found yesterday in a common grave near Miramundo Canton in the jurisdiction of La Palma, Chalatenango Department. The bodies were discovered by troops of the 4th Infantry Brigade during a search and destroy operation against guerrilla strongholds that has been underway in this area for the past few days. Soldiers of the 3d Infantry Brigade headquartered in San Miguel clashed with leftist columns in Piedra Azul Canton in the jurisdiction of San Jorge. Five extremists were killed, an undetermined number were wounded, and 2 M-16 rifles and ammunition were seized. The Army suffered two dead. These actions are the result of the military operation being carried out in that area. Members of the (Bracamonte) Battalion that is combing southern Usulutan clashed with terrorists near (El Lindero) village in the jurisdiction of Jiquilisco. One soldier was killed in this action. The number of casualties suffered by the leftists is unknown.

GUATEMALA

FOREIGN MINISTER ANDRADE ON CONTADORA PROCESS

PA082114 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 Aug 84

[Text] Guatemalan Foreign Minister Fernando Andrade Diaz-Duran gave details on his talks with Ambassador Harry Shlaudeman yesterday in Guatemala City.

[Begin Andrade recording] Mr Shlaudeman expressed interest in learning Guatemala's stance on the so-called peace draft presented by the Contadora foreign ministers 1 month ago. I informed him of Guatemala's stance. As you know, the Contadora process is being accomplished in stages. The next stage -- at least it seems this is the consensus of the five Central American countries -- will consist of a technical meeting. The group that we have described as technical is formed by the deputy foreign ministers of the five Central American countries and the four Contadora countries. The five Central American governments are now trying to set a date to meet with the deputy foreign ministers. After this meeting, Guatemala is willing to attend a foreign ministers meeting, provided the Central America heads of state express their acceptance. [end recording]

He also said that the next meeting of Central American foreign ministers, the Contadora Group, and the EEC scheduled for Costa Rica has a double objective.

[Begin Andrade recording] We are strengthening the Contadora process through this meeting with European foreign ministers of the EEC countries who will also attend the meeting in San Jose, which has been convoked by President Monge and the Portuguese and Spanish foreign ministers.

This meeting is important because it stresses European interst in the area's problems. Europe has expressed its support for the Contadora process. We believe the Costa Rican Government's initiative is positive; we have accepted and supported it. We have kept in touch with Costa Rican Foreign Minister Carlos Jose Gutierrez and Guatemala is cooperating fully. This meeting will also be attended by Europeans and Central Americans. Contadora foreign ministers will attend this meeting. Central Americans will have the opportunity to propose social and economic topics to the Europeans. We are aware that we need the support of the international community, particularly industrial countries, because of our underdeveloped nature. [end recording]

GUERRILLAS, SOLDIERS KILLED IN SAN MARCOS CLASH

PA081614 Buenos Aires LATIN in Spanish 1531 GMT 8 Aug 84

[Text] Guatamela City, 8 Aug (LATIN-REUTER) -- The Army has reported that 20 left-wing guerrillas and 2 soldiers have been killed in a clash in the northwestern Province of San Marcos. This is the largest number of casualties thus far this year. A communique released by the Army last night reported that two soldiers were killed in the clash, which took place when an Army patrol surprised the guerrillas near Tocache in San Marcos, a coffee region on the Mexican border.

The Guatemalan newspaper PRENSA LIBRE, the nation's largest, carried statements today from residents of that region, who indicated that they had heard Army helicopters and aircraft bombing the guerrilla positions in the neighboring mountains.

At least 25 people were killed and 12 wounded in the fighting, the paper reported. San Marcos has been the scene of frequent fighting in the 4 years of the Army's counter-insurgency campaign. The left-wing guerrillas have fought a succession of military governments for the past 2 decades.

NICARAGUA

RAMIREZ SAYS U.S. TRYING TO JUSTIFY INTERVENTION

PA081650 Buenos Aires LATIN in Spanish 0709 GMT 8 Aug 84

[Text] Managua, 8 Aug (LATIN-REUTER) -- A top Nicaraguan official has accused the U.S. Government of trying to justify direct military intervention in that country by spreading doubt about the validity of the coming elections. Sergio Ramirez, one of the three members of the Nicaraguan Government junta, told correspondent last night that the United States is trying to link the participation of conservative parties with the validity of the elections slated for 4 November. Ramirez said last night:

They (the Ronald Reagan administration) are implementing a dangerous publicity campaign claiming that the validity of our elections is contingent upon the participation of the right wing."

"We believe that this is a new excuse... for U.S. intervention in Nicaragua."

Ramirez' comments coincide with a prolonged give-and-take process between the leftist government and the conservative opposition on the conditions necessary for conservative participation in the elections for president, vice president and 90 constituent assembly deputies. In what is described as an important concession to the opposition, the government published a decree yesterday lifting restrictions on civil rights, including that on the right to strike, contained in the state of emergency that was decreed in 1982.

This was one of the demands of the four conservative parties that comprise the "Democratic Coordinating Board," which failed to register candidates by the dateline of midnight on Sunday. The group claimed that the necessary conditions for free and just elections were lacking. Although the registration period is over, Ramirez appears to have left the door open for the opposition's participation. Ramirez said that if the Social Christians, one of the Coordinating Board's member parties, should present the required documents and register its candidates with the electoral authorities, a "new situation" would be created.

In the opinion of local diplomats, the FSLN seems to be displaying greater flexibility because it fears accusations of a lack of electoral fairness. President Reagan hinted last month that the Sandinists are preparing what he described as a Soviet-style electoral farce.

INFILTRATOR CLAIMS ARDE, OTHERS CIA-FUNDED

PA081951 Managua Domestic Service in Spanish 0300 GMT 8 Aug 84

[Text] In her testimony before the Anti-Somozist People's Tribunals, Marielos Serrano Guillen has declared that both the counterrevolutionary group made up of Robelo, Calero, Pastora, and the Somozists led by Bermudez received $600,000 each month from the CIA.

Pastora kept the biggest share of this amount, under the pretext that he was in charge of military actions. This was the reason for the split among Nicaraguan Democratic Revolutionary Alliance, ARDE, led by Pastora, Robelo's Nicaraguan Democratic Movement, and Calero Portocarrero's Nicaraguan Democratic Force.

Serrano Guillen, a collaborator with the State Security Office, infiltrated ARDE's ranks long ago. ARDE is a group headed by traitor Pastora.

SALVADORAN CHARGES REJECTED AT HAGUE COURT

WA090830 Rome IPS in English 6 Jun 84

[Text] Managua, Aug. 6 (IPS) -- El Salvador cannot prove its charge that Nicaragua is supplying arms to the Salvadoran rebels, Nicaragua's attorney before the International Court of Justice (ICJ) said here today. Paul Reichler, a U.S. attorney who represents Nicaragua in the ICJ, in The Hague, was responding to Salvadoran President Jose Napoleon Duarte's announcement last month that El Salvador would place that charge before the ICJ.

Reichler, who is in Managua for an international seminar on comparative law, told reporters that the Salvadoran Government will be unable to present any proof that Nicaragua is supplying weapons to the Salvadoran rebels.

If El Salvador makes the charge before the ICJ, he added, Nicaragua might launch a countersuit in the international court against El Salvador.

Both the Salvadoran and U.S. Governments have repeatedly accused Nicaragua's Sandinist government of arming the rebels in El Salvador, but have not yet provided evidence to back up the charges. The Farabundo Marti National Liberation Front (FMLN) insurgents have waged war against the Salvadoran Government for nearly five years.

Reichler said that Nicaragua's charge against the Reagan administration before the ICJ, for the U.S. mining of Nicaraguan ports, is proof that the Sandinist government respects international law.

"The Reagan government, on the other hand, acts under the rule of the law of the jungle," he charged. Reichler also asserted that President Ronald Reagan intends to bypass the U.S. congressional opposition to continued aid for the Nicaraguan rebels by using $17 million which he said private companies provided last week.

The House of Representatives last week approved a supplemental appropriations bill that eliminated the Reagan administration's request for $28 million in covert aid to the rebels in fiscal year 2985, which beings Oct. 1.

The Congress blocked the administration's request for $21 million in more aid to the rebels in the current fiscal year. The Central Intelligence Agency (CIA) has been funding and directing the two main insurgent organizations fighting to overthrow the Sandinist government.

PROTEST LODGED WITH HONDURAS OVER 8 AUG ATTACK

PA090121 Managua Domestic Service in Spanish 0025 GMT 9 Aug 84

[Acting Foreign Minister Nora Astorga "protest note" dated 8 August to Honduran Acting Foreign Secretary Arnulfo Pineda Lopez in Managua, read by Foreign Ministry spokesman Manuel Espinoza Rivera -- live or recorded]

[Text] Mr. Minister:

I address Your Excellency to state the following:
Today, 8 August, between 0613 and 0619 two Piranha-type boats attacked the (El Maranonal) sector with. 50-caliber machine guns from a distance of 1,500 meters. The sector is located 6 km northwest of Potosi. After the criminal attack, the attacking boats withdrew to the port of San Lorenzo, in Honduran territory. Nestor Ramirez, a member of the Sandinist People Army, was wounded during the attack.

Upon presenting its formal and strongest protest for these events, the Nicaraguan Government points out to you, Mr Minister, the seriousness of using Honduran territory, including the port of San Lorenzo, as a refuge to carry out acts of aggression against Nicaragua. Therefore, the Nicaraguan Government once again insists that the Honduran Government immediately and definitely stop the support, which opposes the pledges made by the Honduran Government within the framework of the international laws, given to mercenary bands at the service of the U.S. Government.

I reiterate to Your Excellency the assurances of my consideration.

STATE COUNCIL APPROVES INCORPORATION OF MAP-ML

PA090058 Managua Radio Sandino in Spanish 1830 GMT 8 Aug 84

[Text] Companeros Fernando Malespin and Carlos Lucas Arauz, representatives of the Workers Front, FO, and the Marxist-Leninist Popular Action Movement, MAP-ML, respectively, were sworn in moments ago at the State Council after approval of their political legality.

The approval to incorporate these movements was applauded by all of the representatives at this colegislative body. Prior to their incorporation, the reform of Article 16 of Chapter 3 of the Nicaraguan basic statute was approved, which will now read:

Article 16. The State Council will be formed by 52 members designated by the political, popular, trade, union, social, and private enterprise organizations of the country in the following manner:

Article 1. Political Parties: FSLN, 6 members, Independent Liberal Party, 1 member, Nicaraguan Socialist Party, 1 member, Popular Social Christian Party, 1 member, Social Democratic Party, 1 member, Constitutionalist Liberal Party, 1 member, Social Democratic Party, 1 member, Communist Party of Nicaragua, 1 member, Marxist-Leninist People's Action Movement, MAP-ML, 1 member.

Popular Organizations: Sandinist Defense Committees, 9 members for each of the following regions of the country: Managua, 2 members, Leon and Chinandega, 1 member, Esteli, Nueva Segovia, and Madrid, 1 member, Chontales, Boaco, and Rio San Juan, 1 member, Zelaya, 1 member, Masaya and Carazo, 1 member, Granada and Rivas, 1 member, Matagalpa and Jinotega, 1 member.

19 July Sandinist Youth, 1 member, Luisa Amanda Espinosa Nicaraguan Women's Association [Amnlae], 1 member.

Trade Organizations: Sandinist Central Organization of Workers, 3 members; Farm Workers Association, 2 members; General Labor Confederation, 2 members; Nicaraguan Workers Federation, 1 member; Confederation for Unity of Trade Unions, 1 member; Central Organization of Trade Union Action and Unity, 2 members; Health Workers Federation, 1 member; Laborers Front, 1 member.

Social and Trade Union Organizations: Sandinist Air Force, FAS, 1 member; National Council for Higher Education, 1 member; National Association of Nicaraguan Teachers, 1 member; Union of Nicaraguan Journalists, 1 member; Heroes and Martyrs Confederation of Nicaraguan Professional Associations, Conapro, 1 member; National Union of Farmers and Cattlemen, 1 member; Nicaraguan Evangelical Ecumenical Alliance, 1 member.

Private Enterprise: Nicaraguan Development Institute, INDE, 1 member; Nicaraguan Chamber of Industries, CADIN, 1 member; Confederation of Nicaraguan Chambers of Commerce, 1 member; Nicaraguan Chamber of Construction, 1 member; Union of Nicaraguan Agricultural-Livestock Producers, 1 member.

This decree abolishes Decree 2092 published in Official Gazette No 20 of 27 January 1984, and goes into effect at the time of its publication through any form of collective media, without affecting its later publication in the daily official gazette. It should be pointed out that at the beginning of this action by the State Council a problem arose when the Democratic Conservative Party said that its name is Democratic Conservative Party of Nicaragua and its acronym is PCDN, all letters in upper case. Meanwhile, the Communist Party of Nicaragua protested saying that its acronym is also PCDN, the only difference is that the letter D in this case is the preposition of and is in lower case. However, since Hugo Mejia, president of the National Council of Political Parties, was present at this session of the State Council, he explained that there is no problem because in one acronym the letter D is in upper case, and in the other it is not. This has been the one incident at this State Council session.

'PEOPLE'S WAR' GROUP NOMINATES BORGE FOR PRESIDENT

PA081932 Panama City ACAN in Spanish 1830 GMT 8 Aug 84

[Text] San Jose, 8 Aug (ACAN-EFE) -- The self-styled "Committee for the Prolonged People's War" [Comite Para la Guerra Popular Prolongada] has nominated Nicaraguan Interior Minister Tomas Borge as its presidential candidate for the upcoming November elections.

In a paid advertisement covering an entire page of the local paper LA PRENSA LIBRE, the group, which did not name any responsible member, states that "Commander Borge is the last true Sandinist revolutionary and only he can take Nicaragua to the realization of the promise of the 1979 revolution."

"Neither Ortega nor Cruz," reads the advertisement, published in bold headline: "Borge for President."

It refers to Daniel Ortega, the FSLN's presidential candidate, and to Arturo Cruz, who was nominated but not registered by the Ramiro Sacasa Democratic Coordinating Board. Cruz, who did not register and will not be able to participate in the elections, is currently in the United States.

OFFICIAL SAYS LA PRENSA VIOLATED ELECTORAL LAW

PA080438 Managua Domestic Service in Spanish 0300 GMT 8 Aug 84

[Text] Several portions of yesterday's edition of LA PRENSA were subjected to censorship because they violated the electoral law, Lieutenant Nelba Blandon, head of the Interior Ministry's media directorate, has reported.

Lt Blandon said that LA PRENSA's owners decided not to print yesterday's edition in order to accuse the government of violating freedom of expression before the international community. The paper's national news section contained insults against the FSLN's presidential and vice presidential candidates and six photos of a campaign event in Matagalpa held by three parties belonging to the right-wing Nicaraguan Democratic Coordinating Board. Its participants attacked a group of mothers of heroes and martyrs with stones and bats, injuring 30 women and several children. No media can print campaign propaganda for groups of persons speaking for parties outside the electoral law, Lt Blandon said.

PCDN DEMANDS RELEASE OF POLITICAL PRISONERS

PA082100 Managua Radio Noticias in Spanish 1200 GMT 8 Aug 84

[Text] The Nicaraguan Government has declared that there are no political prisoners. However, the Democratic Conservative Party of Nicaragua [PCDN] is demanding the release of its political prisoners as a basic condition for being able to function normally during the election process.

PCDN militant Dr Eduardo Molina stated: Our best militants are in jail.

[Begin recording] [Molina] We have some legal problems that the people know about, but the most important problem we have is that involving our political prisoners. These prisoners are our best militants and they are in jail. We have been asking the Sandinist Front about our political prisoners. We have filed specific claims at meetings held with the Sandinist Front. The front has offered to release some of them, but we want all of them released.

One of our conditions for participating in the election process is that all of our political prisoners are released. One of our main problems is that our people are in jail. This is a fact. The most combative elements are in jail. We need their cooperation in this election process. Without them, we are weak. I want all of the democratic conservatives in this country to know that we are struggling for our political prisoners and that we want the Sandinist Front to satisfy this point for us to participate in the election process. Those prisoners are our party people; they are our brothers and, I repeat, our best militants.

[Unidentified reporter] How many PCDN militants are under arrest and why?

[Molina] There are between 150 and 300. Initially, there was a list of 85 [words indistinct]. They are being held on more or less serious political crime charges. Undoubtedly, they are not completely guilty. They are conservative people with a fighting spirit who have always been openly opposed to the government and, unfortunately, they are paying for this in prison. [end recording]

EPS- 'COUNTERREVOLUTIONARIES' CLASHES REPORTED

PA071314 Managua Domestic Service in Spanish 0300 GMT 7 Aug 84

[Text] Eight Somozist counterrevolutionaries were killed during a clash with Sandinist People's Army EPS troops in El Castillo, a few kilometers from (El Rama), in Central Zelaya. The Nicaraguan Defense Ministry has reported that the clash with more than 30 counterrevolutionaries occurred on the morning of 4 August. Reportedly, the Sandinist army suffered only one casualty; a soldier was slightly wounded.

Honduran Border Encounter

PA071800 Panama City ACAN in Spanish 1749 GMT 7 Aug 84

[Text] Managua, 7 Aug (ACAN-EFE) -- Nicaraguan Army troops are locked in fierce combat today with several hundred anti-Sandinist guerrillas on the Honduran border, military sources have reported. Brief reports released here indicate that the clashes have taken place in the area of El Naranjo, in the province of Nueva Segovia, on the Honduran border.

The fighting, in which troops from the 312th Army Brigade's 13th and 14th Companies are participating, is taking place some 11 km southeast of the Coco River, a Nicaraguan river that lies on the Honduran border. After 8 hours of continuous fighting, the Defense Ministry has still not disclosed any details on the results of the fighting.

'Numerous Casualties'

PA081734 Paris AFP in Spanish 1713 GMT 8 Aug 84

[Text] Managua, 8 Aug (AFP) -- Intense fighting broke out in the Department of Nueva Segovia in northern Nicaragua in the past 48 hours, where rebel troops ambushed two government companies, causing the death of three Sandinist People's Army (EPS) officers.

The Defense Ministry today admitted that two lieutenants and a sublieutenant died in clashes in the vicinity of El Naranjo, near the Honduran border. According to reports, the initial clash resulted in fierce fighting that lasted more than 8 hours and in which, according to the clandestine 15 September radio station, the voice of the Nicaraguan Democratic Force [FDN], there were "numerous government casualties."

The Sandinist information media have remained silent today, Wednesday, on the military incidents taking place in the northern mountains.

Nonetheless, Sergio Ramirez, member of the Junta of the Government of National Reconstruction, admitted that fierce fighting was underway in the north and in the southeastern part of El Rama, 50 km from Bluefields, the most important township in the Atlantic sector.

VECINO ALEGRET ADDRESSES POPULATION MEETING

FL081242 Havana Domestic Service in Spanish 1000 GMT 8 Aug 84

[Text] Cuba has stressed that no international economic program will have a positive impact in underdeveloped countries if it is not accompanied by profound socio-economic reforms. The statement was made by Cuban Higher Education Minister Fernando Vecino Alegret at the International Conference on Population being held in Mexico City.

The Cuban minister said the profound international crisis affects poor countries with particular rigor as a result of foreign dependence and the structural distortion of their economies. The foreign debt's irrational increase, exacerbated by rises in interest rates and in general by the economic policy adopted by developed capitalist countries, forces upon Third World countries the crisis' main weight.

This situation aggravates the conditions in which the majority of the population of those nations live, Fernando Vecino added. In closing, the Cuban minister quoted a segment of President Fidel Castro's message to the conference. The message notes that in the face of the nuclear tragedy threatening us, the drama of underdevelopment and exploitation oppressing us, and the economic and social crisis lashing out at our countries, there can be no attitude of acquiescence and adaptation, the only way out for man is to struggle restlessly for peace and development.

CULTURE MINISTER HART ARRIVES IN PANAMA

PA090425 Havana International Service in Spanish 0000 GMT 9 Aug 84

[Text] Cuban Culture Minister Armando Hart arrived in Panama City at the invitation of Panamanian President Jorge Illueca. He was met at the Omar Torrijos International Airport by Diogenes Cedeno Cenci, director of the National Culture Institute; Moises Torrijos, president of the Panama-Cuba Friendship Institute, and other personalities. During his 4-day visit to Panama City Armando Hart will meet with President Jorge Illueca, General Manuel Antonio Noriega, commander in chief of the National Defense Forces, and Foreign Minister Oyden Ortega. He will also meet with Education Minister Susana Richa de Torrijos; Ceferino Sanchez, rector of the University of Panama; and Berta Torrijos, president of the Democratic Revolutionary Party.

DELEGATION TO ATTEND FEBRES INAUGUARATION IN QUITO

FL082246 Havana Domestic Service in Spanish 2130 GMT 8 Aug 84

[Text] Council of Ministers Vice President Jose Ramon Fernandez left today for Ecuador heading an official Cuban Government mission. The delegation was invited by Ecuadoran President-elect Leon Febres to attend the presidential inauguration ceremony. The ceremony will be held in Quito on 10 August. Included in the Cuban mission are Jorge Bolanos, vice foreign minister, Norberto Hernandez, vice chief of the Central Committee's America department, and Carlos Zamora, Cuban ambassador to Ecuador.

ANGOLAN MINISTER'S VISIT TO UNECA REPORTED

FL081353 Havana Television Service Spanish 0000 GMT 8 Aug 84

[Text] Angolan Foreign Trade Minister Ismael Gaspar Martins has visited the main offices of the Union of Caribbean Construction Enterprises, UNECA, where he met with its director general, Angel Gomez Trueba.

During the talks, the possibilities for increasing Cuban cooperation in the construction materials industry were discussed. In addition, there was an exchange in views on the future growth of Cuban-Angolan trade in that branch as well as in the development of mixed enterprises for building social projects and other types. The two sides' determination to increase economic and trade relations was verified.

ARDE INFILTRATOR MAKES CHARGES AGAINST CIA

PA090422 Havana International Service in Spanish 0000 GMT 9 Aug 84

[Text] Marielos Serrano Guillen, a Sandinist fighter who infiltrated the Democratic Revolutionary Alliance, ARDE, has confirmed that CIA agents directed the mining of the Nicaraguan ports of El Bluff and Corinto.

Marielos Serrano, who worked for 2 years under Eden Pastora's direct orders in Costa Rica, also reported that the CIA directed a foiled bomb attack on the Augusto Cesar Sandino Airport as well as an attack on San Juan del Norte. In her declarations before the anti-Somozist People's Tribunal in Managua during the trial of counterrevolutionary leaders in absentia, the Sandinist combatant said that the CIA had given Pastora up to $60,000 per month.

The witness disclosed that she fought on the southern front during the final phase of the struggle against the Somozist tyranny, and that after the revolutionary victory she worked as Pastora's assistant in the armored battalion. She added that she left for Costa Rica in September 1982 following instructions from the Nicaraguan Government's General Directorate of State Security and joined the anti-Sandinist leader's support team.

Meanwhile, it was learned that three officers of the Sandinist Peoples Army were killed in an ambush by counterrevolutionary forces in Madriz Department bordering Honduras.

NICARACUAN OFFICERS AMBUSHED IN MADRIZ; 3 DIE

PA082124 Havana International Service in Spanish 1600 GMT 8 Aug 84

[Text] Three Sandinist People's Army officers were killed during ambushes sprung by counterrevolutionary forces in Madriz Department bordering Honduras. The Sandinist officers, Lieutenants Reinerio Tijerino and Ayan Martinez, were killed at El Naranjo, 7 km southeast of San Juan del Rio Coco, while Lt Benito Jose Gutierrez died in a similar action in the El Mechon area near Telpaneca.

The Sandinist army has reported that eight counterrevolutionaries were killed at El Cano del Castillo, in southeast Zelaya Department.

In Managua, Sergio Ramirez, member of the Junta of the Government of National Reconstruction, has said that the likelihood of a direct U.S. military aggression has never been dismissed in the country. Ramirez, who is the FSLN vice presidential candidate, said during a press conference that the fact that Nicaragua is in the middle of an electoral process has not made Nicaraguans forget that the country is under permanent military threat and that there are U.S. bases very close, on Honduran territory.

COUNTERREVOLUTIONARY SURRENDERS TO SANDINISTS

FL081910 Havana Domestic Service in Spanish 1802 GMT 8 Aug 84

[Text] (Cresensio Bermudez Lopez), commando chief of a Nicaraguan counterrevolutionary group, has given himself up to the authorities after killing 3 anti-Sandinists who were going to kill a woman and a little girl.

According to (Bermudez') account, on 21 July he thwarted an ambush when he fired at the contras on a highway in central Nicaragua. He said this action had been a part of plans to boycott the fifith anniversary of the Sandinist revolution.

(Bermudez) said he had been kidnapped in June in Nueva Guinea, Zelaya Sur Province, and after receiving training from U.S., Panamanian, and Puerto Rican instructors, he was made commando chief because of his knowledge of the mountainous regions.

Nicaraguan authorities freed Bermudez after conducting a background check. He was released under the amnesty law for those returning to Nicaragua.

ORTEGA INAUGURATES MANAGUA PEACE CONFERENCE

FL081226 Havana Domestic Service in Spanish 1411 GMT 7 Aug 84

[Text] Nicaraguans are friends of peace. We all know who the enemies of peace are, and the enemies of peace are logically enemies of all humanity. These words were spoken by Sandinist leader Daniel Ortega when he inaugurated the second World Conference on the City and Peace in Managua.

Ortega said that there was nothing better than holding this second world peace conference in Central America, where millions of voices cry out for peace, struggle for peace. The Sandinist commander added that the enemies of peace are those who place the arms race and the threat of nuclear war before the desire of the peoples for justice, bread, and education.

We Nicaraguans are friends of peace and, as is logical, we reject its enemies. To struggle for peace is to struggle for the unity of the peoples, Sandinist Commander Daniel Ortega stressed when he inaugurated the world meeting.

FMLN FORCES DYNAMITE ELECTRICITY PYLONS

FL081440 Havana Television Service in Spanish 1105 GMT 8 Aug 84

[Text] FMLN forces dynamited high tension electricity pylons north of San Salvador, leading the department of San Salvador and most of Chalatenango without electricity. Radio Farabundo Marti, which is one of two insurgent radio stations, reported this act of sabotage, which was confirmed by military sources in the Salvadoran capital.

FARABUNDO MARTI REPORTS AIR FORCE RAIDS

PA090310 Havana International Service in Spanish 0000 GMT 9 Aug 84

[Text] The Salvadoran guerrilla station Radio Farabundo Marti has reported that on 5-6 August the Salvadoran Air Force bombed Berlin and San Agustin in Usulutan Department, which resulted in numerous victims among the civilian population and the destruction of houses and crops.

The source added that troops of the elite Atlacatl Battalion, trained by U.S. advisers, simultaneously carried out an operation against the civilian population in the villages of San Jacinto, La Soledad, Amate and the San Bartolo Ichanmico where they killed several people, including three children.

The rebel station had previously reported that the entire San Salvador Department and part of Chalatenango Department were left without power when FMLN sappers blew up high tension towers.

HONDURAN INTELLIGENCE NETWORK 'IN PLACE'

FL081502 Havana Television Service in Spanish 1205 GMT 8 Aug 84

[Text] A paramilitary intelligence network is in place in Honduras that has the mission of identifying persons suspected of carrying out revolutionary activities, according to the Honduran press. A Honduran publication stated that there are plans to create counterinsurgent surveillance and intelligence centers in urban and rural areas.

PERUVIAN COMMUNISTS DECRY 'PERSECUTION CAMPAIGN'

PA081606 Havana International Service in Quechua 2200 GMT 3 Aug 84

[Text] The Peruvian Communist Party [PCP] claims that Interior Minister Luis Percovich is conducting a campaign against the PCP in view of the upcoming general elections. Minister Percovich has accused the PCP of committing illegal actions and he made similar charges against the United Left Coalition [ULC].

According to the PCP and ULC, the government has unleashed a broad persecution campaign against the leaders and followers of their parties, as well as against other non-communist sectors opposed to the current regime, simply because they are critical of Belaunde Terry's government. The PCP and ULC add that leaders, sympathizers, and members of their parties are currently under arrest under false charges, such as participating in subversive activities.

Meanwhile, heavily armed police using tear gas and firing their weapons removed squatters from several settlements on the outskirts of Lima as they were trying to build homes on land owned by the government. Owing to the acute housing shortage many humble workers are without homes of their own, and forced to live in subhuman conditions.

The incident occurred in shantytowns only 25 km from Lima. The leaders of these settlements said that the police used weapons and force to dislodge humble families after destroying their houses.

URUGUAYAN DECREE ON PARTIES' ACTIVITIES ABOLISHED

PA082144 Havana International Service in Spanish 1800 GMT 8 Aug 84

[Text] The Uruguayan regime abolished the decree that prohibited political parties, public activities and propaganda. The decree had been in effect since August 1983.

Meanwhile, in Montevideo it was learned that the Uruguayan regime abolished the decree as part of the agreement reached last week with political leaders on the general elections scheduled for November. It was also learned that Eduardo Jimenez Arechaga, former president of the International Court of Justice, said in Montevideo that the case against National Party leader Wilson Ferreira Aldunate has many legal flaws, a case that could well be considered an anthology to a legal blunder.

Jimenez Arechaga said that the military prosecutor's request for more evidence in the case of Ferreira Aldunate is just a pretext to keep him in prison. Ferreira Aldunate, 60 years old, has been under arrest since his arrival in Uruguay approximately 2 months ago.

RAUL CASTRO CONGRATULATES YOUTH LABOR ARMY

FL041250 Havana Domestic Service in Spanish 1045 GMT 4 Aug 84

[Excerpt] Army General Raul Castro, second secretary of the party's Central Committee and minister of the FAR, has sent his warm congratulations to the members of the Youth Labor Army on its 11th anniversary, which was yesterday. The congratulations were transmitted by Division General Senen Casas Regueiro, alternate Politburo member and first vice FAR minister, in his closing speech at the national event held to commemorate this date. The ceremony took place at (El Micial) camp, some 25 km north of Ciego de Avila city.

RAUL CASTRO OBSERVES MILITARY EXERCISES

FL081147 Havana Domestic Service in Spanish 1000 GMT 8 Aug 84

[Text] Army Gen Raul Castro, second secretary of the party and FAR minister, has observed together with other leaders the military exercises held in a defense zone of the Segundo Frente Municipality in Santiago de Cuba Province.

In a speech at a ceremony held following the exercises, Politburo member Jose Ramon Machado Ventura congratulated all the participants in the exercises on behalf of Army Gen Raul Castro.

BAHAMAS

OFFICIALS EXPRESS CONCERN OVER HAITIAN IMPACT

FL070140 Belize City Domestic Service in English 0100 GMT 7 Aug 84

[Text] In the Bahamas, officials are expressing concern over the long-term impact of Haitian immigration to their country. Haitian immigrants in the Bahamas have had an important impact on health, education, and to some extent, on unemployment, according to Bahamian officials. Many of the refugees who have sailed to the Bahamas have left their impoverished nation in hopes of reaching southern Florida. Unemployment in the Bahamas at present is estimated at more than 20 percent. Some labor leaders worry that the Haitians will reduce wages for Bahamians because the Haitians are usually willing to work for substandard wages.

BARBADOS

ADAMS ON U.S. IMPOSING WILL ON CARIBBEAN

FL071800 Bridgetown CANA in English 1722 GMT 7 Aug 84

[Text] Bridgetown, Barbados, Aug 7, CANA -- Barbados Prime Minister Tom Adams has warned the United States that its apparent policy of trying to impose its will on the Caribbean could end up with America alienating its friends in the region.

THE NATION newspaper today said that Adams criticized the United States for its policy on the convention tax in the Caribbean Basin Initiative (CBI), a Washington-sponsored trade and aid agreement, and for its attitude toward stalemated double taxation negotiations with Barbados. It said Adams told the 39th annual meeting of the American Bar Association in Chicago that the ambivalence displayed in the taxation treaty negotiations was reflected in other policies and it could end up diluting the potentialities of the CBI.

Adams, himself a lawyer, was particularly critical of the demand which the United States is making on Caribbean countries to exchange information on business activities of Americans in the region before those countries could benefit from the convention tax. He charged that the United States was threatening to cut off trade preferences if the Caribbean did not agree to exchanges of information "in a matter unknown to our own laws and alien in some cases to our constitution." Such action, he said, would "only serve to alienate friends in the Caribbean.

DOMINICA

OPPOSITION PARTY MAY CALL EARLY ELECTIONS

FL081924 Bridgetown CANA in English 1905 GMT 8 Aug 84

[Excerpt] Roseau, Dominica, Aug 8, CANA -- The opposition United Dominica Labor Party (UDLP) yesterday convincingly defeated the ruling Dominica Freedom Party (DFP) in local government elections in the northern town of Portsmouth, winning all five seats on the town council, official results today showed. The UDLP, led by former Finance Minister Michael Douglas who toppled the polls with 663 votes, contested the election against the background of a ruling DFP statement that it was prepared to sweep the opposition labour parties here "out of the political life of this country."

The election had gained national significance after the opposition claimed that if the ruling DFP made any inroad into the traditional Labour Party stronghold, it would contemplate calling early general elections.

GRENADA

COUP PARTICIPANTS TO BE TRIED IN OCTOBER

FL082314 Bridgetown CANA in English 1949 GMT 8 Aug 84

[By George Worme]

[Excerpt] St George's, Grenada, Aug 8, CANA -- Nineteen of the 20 former Grenada Government and Army officials accused of murdering Prime Minister Maurice Bishop and seven others in last October's military coup, will stand trial at the next sitting of the High Court in October. Magistrate Lyle St Paul today handed down the ruling following the conclusion of a six week preliminary inquiry into the charges, arising out of the slaying of Bishop, three ministers, and four political colleagues.

For what he said was insufficient evidence, St Paul freed ex-Army Major Ian St Bernard. Those to be tried include ex-Deputy Prime Minister Bernard Coard, his wife Phyllis, former Army Commander Hudson Austin, and one time Mobilisation Minister Selwyn Strachan.

Bishop's leftist People's Revolutionary Government was ousted in the coup which climaxed an ideological rift between moderate and radical factions in the New Jewel Movement (NJM), led by Bishop and Coard respectively. United States-led forces landed on Grenada on October 25, six days after the coup, to crush the military government. The other defendants are Major Leon Cornwall, the former ambassador to Cuba, ex-junior Ministers Colville "Kamau" Mc Barnette, and Dave Barthlomew, trade unionist John Ventour, and soldiers Liam James, Ewart Layne, Andy Mitchell, Vincent Joseph, Cosmos Richardson, Lester Redhead, Callistus Bernard, Christopher Stroude, Fabin Gabriel, Cecil Prime, and Raeburn Nelson.

JAMAICA

PNP OPPOSES SEAGA'S PLAN TO TOUGHEN LABOR LAW

FL071812 Bridgetown CANA in English 1530 GMT 7 Aug 84

[Text] Kingston, Jamaica, Aug 7, CANA -- The opposition People's National Party (PNP) in a sharp retort to Prime Minister Edward Seaga's plan to toughen Jamaica's labour laws, warned that it would not countenance repressive legislation which sought to "negate the hard won rights of workers." Prime Minister Seaga unveiled his intention to put more teeth in the labour legislation during a recent strike by light and power company engineers and supervisors, and reinforced the point in his message yesterday marking the island's 22nd anniversary of independence.

The strike severely disrupted electricity supplies, and Seaga in a tough speech on radio and television said the Labour Relations and Industrial Disputes Act would be strengthened "to ensure that those who flout the law will pay penalties they will not be able to ignore." He appealed to public support "as the government takes the necessary firm measures to control the dangers of interruption to the life of the country."

In a statement, PNP Chairman P. J. Patterson said "the party wishes to warn against the dangers of instituting draconian amendments in a one party Parliament. It will not countenance the introduction of repressive laws which seek to negate the hard won rights of the workers."

Seaga is the only Jamaican leader not to have come through the ranks of, or to have had close ties with, a trade union though his Jamaica Labour Party (JLP) is affiliated to one -- the Bustamante Industrial Trade Union (BITU).

Labour leaders here are also known to feel slighted Seaga's style of limited consultation with trade unions on important national issues. But some commentators here say that his distance from the unions put him in good stead to bring what they consider as necessary discipline to the labour movement; Patterson said his party recognized that certain changes might be necessary in the industrial relations act in light of the experiences since its passage nearly a decade ago, but stressed that there must be consultations with all interested parties before any amendment was made. There had been some earlier discussions, he said, in which agreement had been reached on some points. "The need to strengthen the laws must not be a cover for industrial legislation which destroys the rights of workers and the collective power of their unions, "Patterson said. He complained of a trend on the part of Prime Minister Seaga to brand every industrail action as political sabotage, as well as "the increasing stridency of the attacks on the unions."

TRINIDAD AND TOBAGO

AID FOR GRENADA TO BE DELAYED PENDING ELECTIONS

FL072210 Bridgetown CANA in English 1956 GMT 7 Aug 84

[Text] Port-of-Spain, Trinidad, Aug 7, CANA -- The government of Trinidad and Tobago has been told to hold an 11 million dollar (1 T3 dollar; 41 cents U.S.) aid package to the interim administration in Grenada until after general elections are held in the spice island. This advice was contained in a minority report submitted to Prime Minister George Chambers by Nizam Mohammed, a member of the 14-member mission which visited Grenada last month.

Mohammed, an opposition member of Parliament here, said it would be "prudent and in the interest of both peoples if we deferred requests for assistance in certain areas pending the outcome of the general election and the installation of politically constituted authority with a popular mandate" in Grenada. The Trinidad mission to Grenada spent eight days in the spice island in June following a cabinet decision to allow a non-partisan mission from this country to assess ways and means of how the government in Port-of-Spain could be of assistance to the people of Grenada, in the aftermath of last October's political crisis in the island. "The other consideration we must be mindful of, "Mohammed said, "is the declining economic fortunes of Trinidad and Tobago, and consequently, the capacity of this country to render assistance to (Caribbean Community) Caricom countries on the scale that it did in the recent past."

The mission, which was led by retired Judge Ulric Cross, submitted its report to the prime minister two weeks ago. In the report, Cross said that the mission was convinced of the need for Trinidad and Tobago to contribute to a programme of counterpart funding in Grenada for a series of projects in the development of the island's infrastructure. In his minority report, Mohammed suggested that government lift an entry ban placed in the 1970's on university lecturer Dr Patrick Emanuel, a member of the interim administration in St George's. He also suggested that government consider the establishment of a consulate in Grenada, taking into account the cost factor and the wider mutual benefits which could accrue from this. Grenadian citizens who wish to visit Trinidad and Tobago require visas.

COLOMBIA

FARC LETTER CHARGES ARMY HINDERING PEACE PROCESS

PA090336 Bogota Cadena Radial Super in Spanish 0000 GMT 9 Aug 84

[Text] Bogota -- Today, the members of the Revolutionary Armed Forces of Colombia, FARC, accused the military leadership of interfering in the cease-fire process agreed upon with the guerrilla groups. They also asked for the direct intervention of Congress to prevent the disruption of the peace process.

Manuel Marulanda Velez, also known as Tiro Fijo, Jacobo Arenas, and (Alfonso Gamez), members of the FARC High Command, sent a message on this matter to senators and representatives today. They accused the Army of hindering the process to install the cease-fire verification commission in the area of Dolores, Tolima Department. They also charged that 60 men from the Army's counterinsurgency group are preventing Marulanda Velez and other guerrillas who are members of the verification commission from reaching Dolores. They added that the military leaders are trying to provoke armed incidents to destroy the efforts for peace in the nation. We will refrain from traveling to Dolores, the location agreed upon for a meeting of the verification commission, and we reserve the right to seek agreements to decide on other dates and locations to establish contact with the commission and in this way to prevent any sabotage, the letter from FARC to the National Congress stated.

DOMINICAN REPUBLIC

TRADE DEFICIT DECREASES IN FIRST QUARTER

FL032000 Santo Domingo LISTIN DIARIO in Spanish 28 Jul 84 pp 1, 10

[By Jose Romero]

[Excerpts] The Dominican Republic's trade deficit for the first quarter of 1984 came to 140 million pesos, based on preliminary figures on exports and imports measured during this period, and showed a decrease of 66.2 million compared to the same period in 1983.

Data released by the Dominican Center for Export Development indicated that exports for the January-June, 1984 period were for 505 million, while preliminary figures from the General Directorate of Statistics showed that imports for this period were for 645 million.

According to the General Directorate of Statistics, import figures were broken down as follows: between January and March 336.2 million; April 94.5 million; May 95.1; June 119.8. According to the Central Bank's report between January and June of 1983, the country exported more than 426.3 million, imported 624 million, resulting in a trade deficit of 206.3 million. According to Central Bank figures, during the first quarter of 1984, exports were for 231.3 million and imports were for 318.8 million, with a negative trade balance of 87.5 million, an 18-percent decrease compared with the same period in 1983. The deficit for the second quarter of 1984 increased by 53 million.

The principal items that are imported continue to be petroleum and its derivatives, making up 35 percent of all imports, National Institute of Price Stabilization products, making up 6 percent of imports.